



NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

THESIS

THE STRATEGIC SHIFT TO THE ASIA-PACIFIC

by

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September 2014

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REPORT DOCUMENTATION PAGE			<i>Form Approved OMB No. 0704-0188</i>	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188) Washington, DC 20503.				
1. AGENCY USE ONLY (Leave blank)		2. REPORT DATE September 2014	3. REPORT TYPE AND DATES COVERED Master's Thesis	
4. TITLE AND SUBTITLE THE STRATEGIC SHIFT TO THE ASIA-PACIFIC			5. FUNDING NUMBERS	
6. AUTHOR(S) Angel D. Cruzcruz				
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Naval Postgraduate School Monterey, CA 93943-5000			8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING /MONITORING AGENCY NAME(S) AND ADDRESS(ES) N/A			10. SPONSORING/MONITORING AGENCY REPORT NUMBER	
11. SUPPLEMENTARY NOTES The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government. IRB Protocol number ____N/A____.				
12a. DISTRIBUTION / AVAILABILITY STATEMENT Approved for public release; distribution is unlimited			12b. DISTRIBUTION CODE	
13. ABSTRACT In 2011, President Barack Obama announced that the United States was going to pivot toward the Asia-Pacific. There is widespread scholarly discussion as to whether this shift to the Asia-Pacific was motivated primarily by regional security anxieties or by larger economic and diplomatic interests. Through the analysis of China's military growth and threatening behavior within the Asia-Pacific region, and the examination of various economic reasons to strategically shift to the Pacific, this thesis attempts to answer the question: Why did the United States decide in 2011 to adopt this rebalancing strategy and increase its military and economic resources to the Asia-Pacific region?				
14. SUBJECT TERMS U.S. adopting rebalance strategy, U.S. Rebalance Strategy, Rebalance military reasons, Rebalance economic reasons.			15. NUMBER OF PAGES 89	
			16. PRICE CODE	
17. SECURITY CLASSIFICATION OF REPORT Unclassified	18. SECURITY CLASSIFICATION OF THIS PAGE Unclassified	19. SECURITY CLASSIFICATION OF ABSTRACT Unclassified	20. LIMITATION OF ABSTRACT UU	

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THE STRATEGIC SHIFT TO THE ASIA-PACIFIC

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Submitted in partial fulfillment of the
requirements for the degree of

MASTER OF ARTS IN SECURITY STUDIES (STRATEGIC STUDIES)

from the

**NAVAL POSTGRADUATE SCHOOL
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ABSTRACT

In 2011, President Barack Obama announced that the United States was going to pivot toward the Asia-Pacific. There is widespread scholarly discussion as to whether this shift to the Asia-Pacific was motivated primarily by regional security anxieties or by larger economic and diplomatic interests. Through the analysis of China's military growth and threatening behavior within the Asia-Pacific region, and the examination of various economic reasons to strategically shift to the Pacific, this thesis attempts to answer the question: Why did the United States decide in 2011 to adopt this rebalancing strategy and increase its military and economic resources to the Asia-Pacific region?

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LIST OF ACRONYMS AND ABBREVIATIONS

A2/AD	anti-access/area denial
ADIZ	Air Defense Identification Zone
APEC	Asia-Pacific Economic Cooperation
ASAT	anti-satellite weapon
ASEAN	Association of Southeast Asian Nations
BCA	Budget Control Act
CENTCOM	Central Command
CMS	China Marine Surveillance
CSG	Carrier Strike Group
DDG	guided missile destroyer
DOD	Department of Defense
EAS	East Asia Summit
EEZ	exclusive economic zone
FDI	Foreign Direct Investment
FFG	guided missile frigates
FFL	light frigate
FTAAP	Free Trade Area of the Asia-Pacific
GPS	Global Positioning System
IISS	International Institute for Strategic Studies
IMF	International Monetary Fund
LCS	littoral combat ship
LPD	amphibious transport dock
MAGTF	Marine Air Ground Task Force
NEI	National Export Initiative
PACOM	Pacific Command
PLA	People's Liberation Army
PLAAF	People's Liberation Army Air Force
PLAN	People's Liberation Army Navy
PLASAF	People's Liberation Army Second Artillery Force
RIMPAC	Rim of the Pacific Exercise

SIPRI	Stockholm International Peace Research Institute
TPP	Trans-Pacific Partnership

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ACKNOWLEDGMENTS

To my wife, Karla, and my kids, Angel-Jared and Ana-Isabel: I thank you for all your love and support. To my parents, Angel-Rafael and Ana: I thank you for all you have done for me over the past 33 years; none of my accomplishments would have been possible without you.

This academic project could not have been completed without the determined efforts of my advisor, Dr. Michael Malley, and my second reader, Dr. James Russell.

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I. INTRODUCTION

A. MAJOR RESEARCH QUESTION

In 2011, the Obama administration delivered a series of declarations that signaled to the public and global leaders that the United States would be shifting its focus to the Asia-Pacific.¹ These statements announced a policy shift that was encouraged by four key changes. These developments include the growing economic importance of the Asia-Pacific, China's growing military capabilities and its increasing forcefulness within the Pacific region, the drawdown of U.S. military operations in Iraq and Afghanistan, and the ongoing efforts to cut the U.S. federal budget.² The question this thesis will ask is why did the United States decide in 2011 to increase the diplomatic, military, and economic resources it devotes to the Asia-Pacific region?

B. IMPORTANCE

First, there is a debate about whether the rebalance is driven mainly by military concerns or by broader economic and diplomatic interests, and consequently, there is a debate about the relative weight of military and non-military concerns in shaping the implementation this policy shift. Thus, it is important to examine the origins of this policy in order to determine what actually caused it.

Second, the conditions under which the policy was announced have changed so the policy itself may be changing or even be unsustainable. In particular, the policy is closely associated with two former members of the Obama administration, Hillary Clinton and Robert Gates, and some analysts question whether their successors will support the policy as strongly. Similarly, the U.S. fiscal situation has worsened since the policy was announced in 2011, and this has led many observers to question the U.S. commitment to implementing the policy shift.

¹ Mark E. Manyin et al., *Pivot to the Pacific? The Obama Administration's "Rebalancing" Toward Asia* (CRS Report No. R42448) (Washington, DC: Congressional Research Service, March 28, 2012), 1–2, <https://www.fas.org/sgp/crs/natsec/R42448.pdf>.

² *Ibid.*, 2.

Third, the U.S. effort to influence the Asia-Pacific will potentially shape the entire international arena. The importance of knowing the answer to my research question is to understand why the United States decided to shift its policy toward the Pacific. Additionally, I think it is critical to examine and answer my research question because this shift in policy could have broad international effects. Furthermore, understanding the roots, intentions, and the transformation of the rebalancing policy can possibly help the United States form more regional alliances and build more regional partnerships. Arguably, the strength and commitment from the United States toward this rebalance policy will also help in strategically assuring the existing allies and partners against an assertive Chinese power. Additionally, this strategic assurance will potentially help the United States build new regional partnerships. In contrast to forming alliances and partners, this shift in policy can also possibly encourage a rising China to react negatively toward the United States.

C. PROBLEMS AND HYPOTHESES

In general, analysts of U.S. foreign policy offer two different explanations for the Obama administration's decision in 2011 to rebalance toward the Asia-Pacific region. The first explanation is mainly economic, which is primarily focused on protecting U.S. economic interests in the Pacific, and taking advantage of the region's economic growth, in order to help restore the economy in the United States. The second explanation underscores American military and defense interests in the Asia-Pacific region.

The first hypothesis for rebalancing to the Pacific is to protect national economic interests in the Pacific, and to take advantage of the rapid economic growth in the Asia-Pacific region. Because of this region's fast economic growth, and its wide opportunities for investments, the U.S. decided to shift its focus to the Pacific, which in turn, will help to the United States' economic recovery. Why not shift toward Europe? In contrast to the Asia-Pacific's economic growth, Europe's economic growth has been slow, and its banks currently face a series of liquidity problems.³ Additionally, Europe faces a sovereign debt

³ Jay C. Shambaugh, Ricardo Reis, and Hélène Rey, "The Euro's Three Crises," *Brookings Papers on Economic Activity* (Spring 2012), 157, <http://www.jstor.org/stable/23287217>.

crisis.⁴ The United States seeks to achieve its Pacific rebalancing goal by strengthening relations with American allies and regional partners through regional bilateral and multilateral negotiations. The focus and ongoing negotiations in the Trans-Pacific Partnership (TPP) will help the United States to shape the economic architecture of the Asia-Pacific region by coordinating existing agreements with regional partners, and by attracting new TPP participants.⁵ In sum, one plausible hypothesis is that the United States decided to rebalance to the Pacific simply to protect and promote its economic interests within the Pacific region.

The second hypothesis about the U.S. decision to shift its focus toward the Pacific emphasizes security concerns. Observers who favor this hypothesis argue that the United States was forced to focus on the Pacific in order to deter and contain a rising and assertive China. In contrast to the first hypothesis, which is largely an economic interest perspective, this hypothesis is mainly military in nature. China's forceful and unpredictable behavior has led to an unstable and insecure Pacific region. China's growing economy, increased defense expenditures, and enhanced military capabilities have arguably stimulated its aggressive and hostile behavior in regard to territorial disagreements in the South and East China Seas.⁶ In order to achieve this rebalancing strategy to deter a rising China, the United States will enhance its military presence in the region by repositioning some forces, increasing the number of troops and assets deployed to the region, and increasing the level of its military activities in the region.⁷

In sum, after reviewing the two leading explanations on the rebalance to the Pacific, I tend to favor a combination of the two explanations to justify this shift of policy to the Asia-Pacific. Although there are diplomatic efforts within the region, the rebalance toward the Asia-Pacific is primarily intended to strategically reassure U.S. allies and

⁴ Shambaugh, Reis, and Rey, "Euro's Three Crises," 157.

⁵ Ian F. Fergusson, et al., *The Trans-Pacific Partnership (TPP) Negotiations and Issues for Congress* (CRS Report No. R42694) (Washington, DC: Congressional Research Service, December 13, 2013), 4, <https://www.fas.org/sgp/crs/row/R42694.pdf>.

⁶ Ely Ratner, "Rebalancing to Asia with an Insecure China," *The Washington Quarterly* 36 no. 2, (Spring 2013), 22–23, https://csis.org/files/publication/TWQ_13Spring_Ratner.pdf.

⁷ Manyin et al., *Pivot to the Pacific?* 1.

partners in the region, and secondarily a way to promote U.S. economic interests through trade and investment with dynamic Asia-Pacific countries.

D. LITERATURE REVIEW

This literature review will provide a summary of key articles and reports on the reasons the United States decided to rebalance its resources toward the Pacific. I will organize this section around the two different schools of thought that have given rise to my two hypotheses.

The first school of thought that explains my first hypothesis assumes that the motive behind the shifting policy toward the Pacific is to protect and to promote U.S. economic interests within the region. The very first statement of the United States' new policy toward the Pacific was captured in Hillary Clinton's article in *Foreign Policy*, which highlighted the United States' vision on foreign policy and the U.S. desire to protect its economic interests abroad.⁸ Clinton's statement emphasized that the United States' economic recovery heavily depended on exporting to the Pacific, and the ability for American businesses to tap into the growing consumer market in Asia.⁹ The United States continues to increase its engagement economically, diplomatically, and politically within the region over the next decade, by strengthening its regional relationships. Furthermore, the creation of partnerships within the region will help the United States in promoting and protecting its national interests within the Pacific region. Furthermore, the main elements that will contribute in the effective shift to the Pacific are solidifying regional working relationships, deepening engagements with regional multilateral institutions, expanding trade and investment, and improving regional democratic and human rights.¹⁰ In Secretary Clinton's article, she expressed that despite the uncertainties and confusions about China being a rising threat to American power within the region, cooperation is economically healthier for both countries than confrontation.¹¹

⁸ Hillary Clinton, "America's Pacific Century," *Foreign Policy*, October 11, 2011, http://www.foreignpolicy.com/articles/2011/10/11/americas_pacific_century.

⁹ Ibid., 3.

¹⁰ Ibid., 4.

¹¹ Ibid., 7.

The United States has been attracted to the Asia-Pacific region's economic potential for a variety of reasons. In particular, it has been the largest source of imports to the United States and the second-largest market for U.S. exports since 2000.¹² In addition, the Asia-Pacific region has a large and growing impact on the on the international economy as a whole.¹³

The strategic shift to Asia involves a variety of elements, which are all equally critical for a successful execution of the rebalance strategy to Pacific. Furthermore, these elements include strengthening political and economic relations within the region. Although there are a variety of aspects within this strategy, it is especially important for the United States to deepen its political and economic relationship with the Association of Southeast Asia Nations (ASEAN). The relationship with ASEAN will ultimately benefit the United States, because it will help in promoting and protecting the U.S. economic interests within the Pacific region.¹⁴ The Trans-Pacific Partnership is considered the centerpiece that will help solidify and validate the rebalance strategy in the Pacific.¹⁵ It is important for the United States to finalize its efforts with the TPP, since its finalization will help expand U.S. economic growth, jobs, and ultimately benefit the economy of the United States.¹⁶

According to this hypothesis, the rebalancing strategy does not represent a containment approach toward China, since the United States does not gain economically if China is contained.¹⁷ The United States has pursued a cooperative policy, which helps integrate China's growing power, into the economic international system. This cooperative policy will benefit both countries, since it will enhance the region's stability

¹² Manyin et al., *Pivot to the Pacific?* 6.

¹³ Ibid., 7.

¹⁴ Ibid., 13.

¹⁵ Scott Miller and Matthew P. Goodman, "TPP Trade Ministers Get Close, but No Deal in Singapore," *Center for Strategic & International Studies*, December 10, 2013, <https://csis.org/publication/trans-pacific-partnership-trade-ministers-meeting>; Fergusson, et al., *Trans-Pacific Partnership*, 2.

¹⁶ Fergusson, et al., *Trans-Pacific Partnership*, 2.

¹⁷ Robert A. Manning, "US Counterbalancing China, Not Containing," *East Asia Forum*, July 9, 2013, <http://www.eastasiaforum.org/2013/07/09/us-counterbalancing-china-not-containing/>.

and economic interdependence, and therefore help increase the economic growth for both countries. Moreover, a cooperative relationship between Washington and Beijing will strengthen and improve the Asia-Pacific economic environment; therefore, making it mutually beneficial for both countries. Despite many competing arguments, China and the United States will both economically gain from this rebalancing strategy to the Pacific. The economic, political, and diplomatic aspects, and government engagements within the region are all critical components that will ultimately contribute to the protection of U.S. economic interests within the Pacific region.

According to experts who advocate this explanation, the United States is actively seeking to increase its diplomatic, political, and economic resources toward Asia, in order to protect its national economic interests in the region.¹⁸ Although China has developed economically and expanded its military capabilities, a confrontation between these two countries will likely damage the mutually beneficial relationship that exists between the United States and China. Furthermore, a cooperative U.S.-China relationship will only expand their regional and global economic interests.¹⁹

Ely Ratner puts forth an additional piece of literature in which he asks whether the rebalance strategy will survive Hillary Clinton's departure from the State Department?²⁰ In this article, he highlights that this key positional change created some doubts throughout the region although there are key regional supporters of the rebalance. Furthermore, this literature piece lays out some key recommendations, which will help lessen some regional concerns about Secretary of State, John Kerry's commitment. Moreover, some recommendations include the nomination of a strong and aggressive assistant secretary, and demonstrating his support through more regional visits and diplomatic interactions.²¹

¹⁸ Phillip C. Saunders, "The U.S. Isn't Trying to Contain China," *Foreign Policy*, August 23, 2003. http://www.foreignpolicy.com/articles/2013/08/23/the_united_states_is_not_trying_to_contain_china.

¹⁹ Ibid.

²⁰ Ely Ratner, "Secretary Kerry and the Future of the U.S. Rebalancing to Asia," *China-US Focus*, March 23, 2013, <http://www.chinausfocus.com/print/?id=25501>.

²¹ Ibid.

The second school of thought that explains my second hypothesis assumes that the motive behind the shifting policy toward the Pacific is to deter and contain an emerging and hostile China. The Asia-Pacific region has been developing into a highly challenging region, which holds threatening state actors such as North Korea and China that, in turn, threaten the peace and stability of the entire region.²² Furthermore, in response to these regional threats, the United States must increase its focus and importance to its security forces in the Pacific in order to strengthen the Pacific's security environment and deter China.²³ For example, Thomas Fargo mainly emphasizes the security elements of the shift in policy, which includes the increase of the military presence and the repositioning of U.S. military forces in the Pacific region. The strategic steps that the U.S. has taken, which are primarily military in nature, help support the containment strategy argument. The following are some military steps that the U.S. has proposed: deploying 2,500 Marines to northern Australia, strengthening the U.S. defense alliance with the Philippines, and solidifying cooperative and military ties with South Korea, Japan, and Vietnam.²⁴

The connections that were made under Obama's first term in office were founded on a strategic reassurance concept that was intended to provide assurance to U.S. allies against an assertive Chinese power.²⁵ Furthermore, this strategic reassurance concept was transformed into the "Pivot to Asia," and later into the current rebalancing strategy.²⁶ This shift in focus is widely suggested that this rebalance is nothing more than a containment strategy against China simply because this change of policy has been primarily military in nature, since it heavily involves the re-posturing of U.S. forces throughout the Asia-Pacific.²⁷

²² Thomas Fargo, "The Military Side of Strategic Rebalancing," *Asia Policy*, no. 14, (July 2012), 26, http://muse.edu.libproxy.nps.edu/journals/asia_policy/v014/14.fargo.html.

²³ Ibid., 26–27.

²⁴ Manyin et al., *Pivot to the Pacific?* 10–12.

²⁵ Sabrina Tsai, *Obama's Second Term in the Asia-Pacific Region: Reflecting on the Past, Looking to the Future* (N.p.: Project 2049 Institute, September 2013), 17.

²⁶ Ibid., 7–11.

²⁷ Ibid., 17.

According to analysts who favor this explanation of the rebalance, the United States' leadership needs to be strengthened in order to define acceptable behavior for China and strengthen deterrence within the region.²⁸ For them, the rebalance strategy is a strategic approach that requires an increase of U.S. military capabilities in the interest of deterring an assertive China. Additionally, a significant persuading factor to shift its focus and policy toward Asia is China's growing anti-access/area-denial capabilities and their increase in power projection abilities, which are products of their economic growth. Furthermore, the creation of the Air-Sea Battle office in 2011, around the same time as former Secretary Clinton's announcement to "Pivot to Asia," only augmented the assumption that this shift of focus is to deter and contain China.²⁹ Policy analysts view the strengthening of security relationships of countries such as, Japan, South Korea, and the Philippines as a method to start staging a containment strategy against China.³⁰

In a speech that he delivered to an audience of Pacific leaders in 2013, Secretary Chuck Hagel stressed the United States' continued commitment to the Pacific and to Obama's rebalancing strategy.³¹ He said that the strategic shift of U.S. policy toward the Asia-Pacific region is simply a strategy that is aimed at shaping behavior throughout the region.³² Although Secretary Hagel is faced with many challenges, which include the shift of weight from the Middle East to Asia, he remains focused toward the rebalancing to the Pacific. This shift of U.S. policy encompasses a mixture of economic, social, cultural, diplomatic, and military elements.³³ Additionally, Hagel's declaratory commitments toward the rebalance strategy demonstrates that even if tensions emerge in

²⁸ James M. Keagle, Richard D. Fisher, Jr., and Brian Johnson, "Enhancing the U.S. Rebalance Toward Asia: Enhancing Allies," *Joint Force Quarterly* 70, (2013), 59, http://www.strategycenter.net/docLib/20130709_JFQ70_KeagleFisherJohnson.pdf.

²⁹ Ibid., 60–61.

³⁰ Tsai, *Obama's Second Term*, 17.

³¹ Karen Parrish, "U.S. Following Through on Pacific Rebalance, Hagel Says," *U.S. Department of Defense*, June 1, 2013, <http://www.defense.gov/news/newsarticle.aspx?id=120186>.

³² Ibid.

³³ Chi-dong Lee, "Hagel says U.S. rebalance to Asia persists," *GlobalPost*, November 22, 2013, <http://www.globalpost.com/dispatch/news/yonhap-news-agency/131122/hagel-says-us-rebalance-asia-persists>.

other parts of the world the United States will continue to pledge its commitment toward the Pacific.³⁴

In sum, it appears that the United States wants to simply shift its policy in order to strategically assure its regional allies and partners and to protect its economic interests. My preliminary conclusion is that although there are diplomatic efforts within the Pacific region, the rebalance toward the Asia-Pacific is primarily a way to strategically reassure U.S. allies, partners within the region, and protect U.S. economic interests in the interest of strengthening the domestic economic growth.

E. METHODS AND SOURCES

This thesis will assess the rebalancing's beginnings and evolution. Additionally, this thesis will also study the military and economic aspects of the proposed rebalancing strategy to the Pacific mainly from a historical and comparative approach. I will extract this thesis's supporting information primarily from secondary sources.

F. THESIS OVERVIEW

To summarize, the first chapter of my thesis will introduce and provide the analytical framework that will describe the proposed rebalance to the Pacific. The next chapter will examine the security reasons for the rebalance strategy. Furthermore, in this chapter, I will address my first hypothesis that explains that the rebalance to the Pacific is a strategy to contain China. I will also examine China's increased military capabilities and assertive regional behavior that may have caused the United States to shift its policy. The next chapter of my thesis will examine the economic reasons for the rebalancing strategy. This chapter will address my second hypothesis that explains that the shift to the Pacific is mainly a strategy to promote and protect U.S. economic interests in the Asia-Pacific region. The last chapter of my thesis will be my concluding chapter. In my concluding chapter, I will synthesize and stress the importance of my thesis.

³⁴ Ibid.

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II. MILITARY/SECURITY REASONS FOR THE REBALANCE TO THE PACIFIC

A. INTRODUCTION

In the words of former National Security Advisor Tom Donilon, “The ultimate goal of the rebalance policy is to promote U.S. interests by helping to shape the norms and rules of the Asia-Pacific region, to ensure that international laws and norms be respected, that commerce and freedom of navigation are not impeded, that emerging powers build trust with their neighbors and that disagreements are resolved peacefully without threats or coercion.”³⁵ China’s increase in defense spending, military buildup and lack of transparency has created several concerns about its strategic intentions. Although Beijing states that its rise is peaceful, I will argue in this chapter that China’s growth in military capabilities and threatening behavior motivated the United States to adopt the rebalancing strategy toward the Asia-Pacific in order to reassure its allies and partners within the region. The first section of this chapter will assess China’s growth in military capabilities, which will entail examining their defense budget, overall military strategy, and military developments. In the next section in this chapter, I will study and evaluate China’s assertive behavior throughout the region. This section will examine various cases of Chinese assertiveness, before and after the introduction of the rebalance policy in 2011. After examining China’s military growth and assertiveness, I will then demonstrate that the policymakers who shaped the rebalance policy did so in response to China’s increased military capabilities and growing assertiveness throughout the Asia-Pacific region, by analyzing the U.S. military responses.

B. CHINA’S MILITARY CAPABILITIES

China’s large military buildup has created a considerable amount of concern in Asia, and has triggered a shift of American foreign policy toward Asia. Over the past decade, Asia’s dragon has been gradually strengthening and modernizing its military.

³⁵ Tom Donilon, “America is Back in the Pacific and will Uphold the Rules,” *Financial Times*, November 27, 2011, <http://www.ft.com/cms/s/0/4f3febac-1761-11e1-b00e-00144feabdc0.html#axzz3BdMlj5fJ>.

According to several leading scholars, it is argued that the U.S. rebalance strategy is a direct response toward this growing menacing Chinese behavior, which I will later explain in this chapter.³⁶

1. OVERVIEW OF CHINA'S DEFENSE BUDGET

China has the fastest growing global economy, which in turn helps support its fast growing military budget.³⁷ China's military spending, which has seen double digit increases almost every year for the past two decades, has created a significant amount of concern regarding its intentions.³⁸ A troubling development that has been taking place since 2010 is that China's military spending has been becoming detached from its overall GDP growth.³⁹ Although China's economic growth has slowed its defense budget has continued to increase. According to the research carried out by the Stockholm International Peace Research Institute (SIPRI), Beijing has been swiftly increasing and upgrading its military forces, which involves an increase in their annual defense spending from over \$20 billion in 2000 to almost \$120 billion in 2010.⁴⁰ The International Institute for Strategic Studies (IISS) estimated that China's military expenditure in 2010 surpassed the military spending of U.S. allies, such as the United Kingdom, Japan, and Germany.⁴¹

What are the dragon's new teeth? Beijing's lack of transparency in their published defense budget, which did not include expenses of their strategic forces, foreign purchases, and military related research and development, only created a considerable

³⁶ Yoichi Kato, "Interview / Kurt Campbell: China Should Accept U.S. Enduring Leadership Role in Asia," *The Asahi Shimbun*, February 9, 2013, <http://ajw.asahi.com/article/views/opinion/AJ201302090016>; Robert S. Ross, "US Grand Strategy, the Rise of China, and US National Security Strategy for East Asia," *Strategic Studies Quarterly* 7, no. 2 (2013), 20, http://www.au.af.mil/au/ssq/digital/pdf/summer_2013/ross.pdf.

³⁷ Nicholas D. Kristof, "The Rise of China," *Foreign Affairs* 72, no. 5 (November/December 1993), <http://www.foreignaffairs.com/articles/49405/nicholas-d-kristof/the-rise-of-china>.

³⁸ "At the Double," *The Economist*, March 15, 2014, <http://www.economist.com/news/china/21599046-chinas-fast-growing-defence-budget-worries-its-neighbours-not-every-trend-its-favour>.

³⁹ Zachary Keck, "China's Defense Budget: A Mixed Bag," *The Diplomat*, March 8, 2014, <http://thediplomat.com/2014/03/chinas-defense-budget-a-mixed-bag/>.

⁴⁰ "China's Military Rise: The Dragon's New Teeth: A Rare Look Inside the World's Biggest Military Expansion," *The Economist*, April 7, 2012, <http://www.economist.com/node/21552193>.

⁴¹ Mayra McDonald, "Asia's Defense Spending Overtakes Europe's: IISS," *Reuters*, March 14, 2013, <http://www.reuters.com/article/2013/03/14/us-security-military-iiss-idUSBRE92D0EL20130314>.

amount of concern throughout the region.⁴² In general, China's military expenditures cover personnel expenses, costs for construction and maintenance of military assets, military training, research and experimentation, and logistical support.⁴³ Why has China increased its military spending? In the next part of this thesis, I will examine Beijing's ambition of a larger strategy.

2. CHINA'S LARGER STRATEGY

China's growth in defense spending reflects a shift in their military strategy. After Operation DESERT STORM, Chinese analysts carefully assessed the various elements that contributed to the success of the United States and concluded that in the event of an armed conflict with the United States, it would be crucial to disrupt or defuse the U.S. military deployment process. According to scholars and defense officials, it is believed that China's impressively growing military is linked with a larger anti-access/area denial (A2/AD) strategy that is intended to disrupt U.S. power projection in the Pacific in the event of conflict.⁴⁴ The A2/AD strategy aims to restrict and deny an adversary's ability to move freely on the battlefield. Motivated by an assessment of the results of OPERATION DESERT STORM, China adopted A2/AD strategies and ideas in order to counter the United States in the event of a conflict.⁴⁵ Chinese A2/AD includes the use of ballistic and cruise missiles, which threaten the U.S. air and naval bases in Okinawa and Guam because of their long-range capability.⁴⁶ According to a study from the Center for Strategic and Budgetary Assessment, another A2/AD tactic that may be carried out to defeat U.S. forces is to conduct a series of large-scale preemptive attacks on airfields,

⁴² "China's Defense Budget," GlobalSecurity.org, last modified May 3, 2014, <http://www.globalsecurity.org/military/world/china/budget.htm>.

⁴³ Ibid.

⁴⁴ Andrew F. Krepinevich, *Why AirSea Battle?* (Washington, DC: Center for Strategic and Budgetary Assessments, 2010), 13, <http://www.csbaonline.org/publications/2010/02/why-airsea-battle/>; Nathan Freier, "The Emerging Anti-Access/Area-Denial Challenge," Center for Strategic and International Studies, May 17, 2012, <https://csis.org/publication/emerging-anti-accessarea-denial-challenge>.

⁴⁵ National Defense University, *Coping with the Dragon: Essays on PLA Transformation and the U.S. Military* (Washington, DC: Center for Technology and National Security Policy, December 2007), 73.

⁴⁶ Krepinevich, *Why AirSea Battle?* 13–17.

aircraft carriers, surface combatant vessels.⁴⁷ These preemptive attacks would be intended to destroy U.S. and allied forces in the Pacific region. Chinese A2/AD maritime capabilities may pose a significant threat to U.S. forces within the Pacific region in the future since modern Chinese warships contain a range of anti-ballistic and cruise missiles, which can potentially affect a U.S. Carrier Strike Group's (CSG) level of effectiveness in the Western Pacific.⁴⁸ In addition to these large preemptive attacks, China's submarine force also presents a significant threat to U.S. forces in the Pacific region because these undersea units can possibly deny the access of U.S. surface combatants to nearby bases.⁴⁹ Furthermore, China's adoption of these A2/AD tactics presents a problem for the United States since these enhanced military capabilities will endanger U.S. assets in the Pacific from afar.⁵⁰ In addition to its A2/AD strategy, China has also adopted a calculated approach to their territorial disputes over the past decade. According to defense analysts, China's method for behaving assertively within the region and particularly towards its territorial disputes is characterized as a salami-slicing strategy.⁵¹ Moreover, this salami-slicing strategy involves gradually consolidating control over disputed islands throughout the region.⁵²

In the following subsections in this thesis, I am going to examine the modernization of China's naval, artillery, air force and space forces in order to illustrate the growth in its defense capabilities. The following subsections are going to focus on China's military growth between 2001 and 2011. Moreover, these capabilities will be organized according to their level of significance for China's A2/AD strategy.

⁴⁷ Krepinevich, *Why AirSea Battle?* 16.

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ Zhu Feng, *U.S. Rebalancing in the Asia-Pacific: China's Response and the Future Regional Order* (New Zealand: Centre for Strategic Studies, 2012), 2, <http://www.victoria.ac.nz/hppi/centres/strategic-studies/documents/DP12-12FullDocOnlineVersion.pdf>.

⁵¹ Ronald, O'Rourke, "Maritime Territorial and Exclusive Economic Zone (EEZ) Disputes Involving China: Issues for Congress," CRS Report R42930, (Washington D.C.: Library of Congress, Congressional Research Service, (April 11, 2014): 11, accessed on May 1, 2014, <http://fas.org/srg/crs/row/R42784.pdf>.

⁵² Ibid.

3. THE PLA NAVY

Over the past decade, the People's Liberation Army Navy (PLAN) has been given a considerable amount of priority over the other military services, which is why I chose to start analyzing the PLAN first.⁵³ The PLAN is primarily responsible for upholding China's maritime security and preserving its autonomy over claimed territorial seas.⁵⁴ Since 2000, the PLAN has made significant progress in expanding and improving its fleet.⁵⁵ Moreover, over the last decade the PLAN has enhanced its blue-water naval capabilities by adding guided missile frigates (FFG), guided missile destroyers (DDG), and submarines to its fleet.⁵⁶ The PLAN's assets have expanded from small coastal defense navy to a blue-water power projection naval force.⁵⁷ These enlargements over the last decade include, 79 surface combatants, over 55 submarines, 55 amphibious ships, and approximately 85 missile equipped small combatants.⁵⁸ The PLAN's assets include, 79 surface combatants, over 55 submarines, 55 amphibious ships, and approximately 85 missile equipped small combatants.⁵⁹ Furthermore, the PLAN is primarily responsible for upholding China's maritime security and preserving its autonomy over claimed territorial seas. Since 2008, the PLA Navy has engaged in a robust surface shipbuilding program.⁶⁰

China has also increased its naval capabilities in the littoral and amphibious warfare areas. PLA Navy's JIANGDAO-class corvettes (FFL) are a new class of ships

⁵³ Phillip Saunders et al., *The Chinese Navy: Expanding Capabilities, Evolving Roles* (Washington, DC: National Defense University, 2011), <http://ndupress.ndu.edu/Portals/68/Documents/Books/chinese-navy.pdf>.

⁵⁴ Peng Fu, "Full Text: The Diversified Employment of China's Armed Forces," Xinhua, April 16, 2013, http://news.xinhuanet.com/english/china/2013-04/16/c_132312681.htm.

⁵⁵ You Ji, "A New Era for Chinese Naval Expansion," The Jamestown Foundation, http://www.jamestown.org/single/?tx_ttnews%5Btt_news%5D=3933#.U_IHJFa4nHg; Phillip Saunders et al., *The Chinese Navy: Expanding Capabilities, Evolving Roles* (Washington, DC: National Defense University, 2011), <http://ndupress.ndu.edu/Portals/68/Documents/Books/chinese-navy.pdf>.

⁵⁶ Ibid.; Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China, 2013* (Washington, DC: Department of Defense, 2013), 7, http://www.defense.gov/pubs/2013_china_report_final.pdf.

⁵⁷ Office of the Secretary of Defense, *Annual Report*, 7.

⁵⁸ Ibid., 6.

⁵⁹ Ibid.

⁶⁰ Ibid., 8.

that are designed to carry out its maritime operations in littoral waters.⁶¹ China plans to build 20–30 new FFLs in order to augment its littoral capability.⁶² These FFLs are characterized as swift and maneuverable missile patrol boats that will be strategically based throughout the East and South China Sea.⁶³ In addition to these new developments in the littoral warfare area, China has also been increasing its amphibious military capability by adding two amphibious transport dock (LPD) ships to its fleet.⁶⁴

The PLA Navy also places a considerable amount of importance on the improvements of its undersea assets. China has always considered the submarine as a key strategic piece of regional deterrence.⁶⁵ Over the past decade, the PLA Navy has greatly expanded its undersea force. Since the 1990s, China has purchased 12 Russian manufactured Kilo-class-non-nuclear powered attack submarines.⁶⁶ In addition, China has integrated 40 submarines into its fleet, which were also acquired from Russia.⁶⁷ Moreover, China's growing submarine force includes the manufacture of their JIN-class nuclear-powered ballistic missile submarines and its nuclear-powered attack submarines.⁶⁸

In addition to the PLAN's increase of naval forces and capabilities, China's navy has also made significant headway in technological improvement to its fleet.⁶⁹ For example, China's DDG's have become equipped over the last decade with vertical launch systems and Chinese Aegis systems that makes their air-defense more effective.⁷⁰

⁶¹ Office of the Secretary of Defense, *Annual Report, 2013*, 7.

⁶² Ibid.

⁶³ Ibid., 6–7.

⁶⁴ Ibid., 7.

⁶⁵ Ibid.

⁶⁶ O'Rourke, *China Naval Modernization*, 7.

⁶⁷ Ibid., 13.

⁶⁸ Office of the Secretary of Defense, *Annual Report, 2013*, 6.

⁶⁹ Ji, "A New Era."

⁷⁰ Ibid.

4. THE PLA SECOND ARTILLERY FORCE

A second important sub-organization within China's armed forces, which has made significant improvements in their defense capabilities, is the PLA Second Artillery Force (PLASAF). The PLASAF is the central force for China's strategic deterrence.⁷¹ The PLASAF is primarily responsible for the nuclear and conventional missile forces and responsible for deterring other state actors from using nuclear weapons against China.⁷²

Over the past decade the PLASAF has been modernizing older missile systems in the interest of amplifying their arsenal.⁷³ By 2007, the PLASAF had developed 990 to 1070 short-range ballistic missiles.⁷⁴ Furthermore, in 2009 the PLASAF had produced 1050 to 1150 short-range ballistic missiles.⁷⁵ In 2008, the PLASAF possessed small quantities of new solid-fuel, road-mobile, and intercontinental missiles, and by 2010 the PLASAF already possessed 20-25 of these intercontinental missiles.⁷⁶ Additionally, in 2008 PLASAF deployed 50-250 of their new land attack cruise missiles, and by 2010 the PLASAF had deployed 200-500 of these land attack cruise missiles.⁷⁷ Furthermore, China's ability to defend against cruise missiles was limited in 2000, but in January 2010 China conducted its first successful test of a missile defense system.⁷⁸ This upgrade in China's silo-based intercontinental ballistic missiles is another significant modernized

⁷¹ The People's Republic of China, Information Office of the State Council, "II. Building and Development of China's Armed Forces," in *The Diversified Employment of China's Armed Forces*, ed. Information Office of the State Council, April 16, 2013, http://www.china.org.cn/government/whitepaper/2013-04/16/content_28556829.htm.

⁷² Ibid.

⁷³ Office of the Secretary of Defense, *Annual Report to Congress: Military Power of the People's Republic of China, 2008* (Washington, DC: Department of Defense, 2008), 2, http://www.defense.gov/pubs/pdfs/china_military_report_08.pdf.

⁷⁴ Ibid.

⁷⁵ Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China, 2010* (Washington, DC: Department of Defense, 2010), 2, http://www.defense.gov/pubs/pdfs/2010_cmpr_final.pdf.

⁷⁶ Shirley Kan, *China's Military and Security Developments*, (CRS Report) (Washington, DC: Congressional Research Service, January 20, 2011), 11, <http://forbes.house.gov/uploadedfiles/forbes-china-security-developments.pdf>

⁷⁷ Ibid., 11.

⁷⁸ Office of the Secretary of Defense, *Annual Report on the Military Power of the People's Republic of China, 2000* (Washington, DC: Department of Defense, 2000), <http://www.defense.gov/news/jun2000/china06222000.htm>; Kan, *China's Military and Security Developments*, 14.

military capability.⁷⁹ In 2007, China had been improving its longer-range ballistic arsenal, which included variants that possessed the capability of anti-access missions.⁸⁰ By 2011, China already acquired large quantities of longer-range missiles and started developing anti-ship ballistic missiles that provided China's forces to carry out attacks on large ships in the western Pacific.⁸¹ These significant developments over the past decade in China's missile arsenal illustrate China's gradual growth in their military capabilities. After examining these pieces of evidence regarding China's missile developments one can conclude that PLASAF has been steadily expanding its missile arsenal and strengthening its military defenses since 2000.

5. THE PLA AIR FORCE

A third sub-organization within China's military is the PLA Air Force (PLAAF), which has also made some significant developments to its military capabilities. The PLAAF is China's primary component to carry out its air operations.⁸² In addition, the PLAAF is mainly responsible for maintaining China's territorial air security and keeping a solid territorial air defense stance.⁸³ Over the past decade, the PLAAF has made a series of transitions and upgrades to their arsenal.⁸⁴ In 2000, the PLAAF possessed 1,000 bombers and close-air support aircraft; these were technologically obsolete, but by the time the United States adopted its rebalance policy China possessed a more robust aviation arsenal.⁸⁵ Over the course of eleven years, PLAAF upgraded its B-6 bomber

⁷⁹ Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China, 2014* (Washington, DC: Department of Defense, 2014), 5–6, http://www.defense.gov/pubs/2014_DoD_China_Report.pdf.

⁸⁰ Office of the Secretary of Defense, *Annual Report to Congress: Military Power of the People's Republic of China, 2007* (Washington, DC: Department of Defense, 2007), 2, <http://www.defense.gov/pubs/pdfs/070523-china-military-power-final.pdf>.

⁸¹ Office of the Secretary of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China, 2011* (Washington, DC: Department of Defense, 2011), 3, http://www.defense.gov/pubs/pdfs/2011_cmpr_final.pdf.

⁸² Fu, "Full Text: The Diversified Employment."

⁸³ Ibid.

⁸⁴ National Air and Space Intelligence Center, *People's Liberation Army Air Force 2010* (Wright-Patterson AFB, OH: National Air and Space Intelligence Center, 2010), 1, http://www.au.af.mil/au/awc/awcgate/nasic/pla_af_2010.pdf.

⁸⁵ Office of the Secretary of Defense, *Annual Report, 2000*.

fleet, developed several types of early-warning and control system (AWACS) aircraft, and expanded its long-range advanced SAM systems.⁸⁶ Additionally, in 2007 the PLAAF deployed many new aircraft, which possessed newer technology such as the F-10, which is multi-role operational aircraft.⁸⁷ In 2007, the PLAAF started developing and deploying auxiliary combat aircraft in order to refuel, collect intelligence, or conduct other similar supporting roles.⁸⁸ By January 2011, China already tested newer fighter aircrafts, which possessed upgraded technology and stealth characteristics.⁸⁹ These significant developments over the past decade of PLAAF highlight China's gradual modernization and expansion over their aviation forces.

6. CHINA'S ENHANCED SPACE CAPABILITIES

In addition to modernizing its naval, missile program, and air forces, China has also been improving its space capabilities. A notable advancement of Chinese military space capabilities took place on January 2007 when China successfully tested an anti-satellite weapon (ASAT).⁹⁰ The sole function of an ASAT is to strategically destroy space satellites. Why will this space advancement concern China's neighbors? This ASAT test concerns Beijing's neighbors because it casts a considerable amount of uneasiness since this test demonstrated to its regional neighbors and the United States its development of a military capability in space that involves destroying or disabling a satellite positioned in space.⁹¹

⁸⁶ Office of the Secretary of Defense, *Annual Report, 2011*, 4.

⁸⁷ Office of the Secretary of Defense, *Annual Report, 2007*, 3.

⁸⁸ Phillip C. Saunders and Erik R. Quam, "China's Air Force Modernization," *Joint Force Quarterly* 47 (2007), 29, <http://www.dtic.mil/dtic/tr/fulltext/u2/a519421.pdf>.

⁸⁹ Office of the Secretary of Defense, *Annual Report, 2011*, 4; Gerry Doyle, "Stealth Changes for China's Stealth Fighter," *New York Times*, March 5, 2014, http://sinosphere.blogs.nytimes.com/2014/03/05/stealth-changes-for-chinas-stealth-fighter/?_php=true&_type=blogs&_r=0.

⁹⁰ T. S. Kelso, "Analysis of the 2007 Chinese ASAT and the Impact of its Debris on the Space Environment," in *2007 Advanced Maui Optical and Space Surveillance Technologies Conference* (Maui, HI: AMOS, 2007), 321, <http://www.m.celestrak.com/publications/AMOS/2007/AMOS-2007.pdf>.

⁹¹ Bates Gill and Martin Kleiber, "China's Space Odyssey: What the Antisatellite Test Reveals About Decision-Making in Beijing," *Foreign Affairs* 83, no. 3 (May/June 2007), <http://www.foreignaffairs.com/articles/62602/bates-gill-and-martin-kleiber/chinas-space-odyssey-what-the-antisatellite-test-reveals-about-d>.

Another notable increase in Chinese space capabilities involves their global positional navigational system, the *Beidou*. Over the past decade, China successfully established a regional navigation system after deploying three *Beidou* satellites between October 2000 and May 2003.⁹² By 2012, China had already deployed six *Beidou* navigation satellites and 11 new remote sensing civil and military applications.⁹³ The six navigation satellites that were launched by 2012 helped China establish a complete navigational and positional network within the Asia-Pacific region.⁹⁴ These six *Beidou* satellites are part of a larger plan that will allow China to have its own Global Positioning System (GPS), which will allow China to not become dependent on the United States' Global Positioning System. Beijing plans to have its *Beidou* navigational satellite system to become operational by 2020.⁹⁵

The rise of China's space program presents a threat to the United States primarily because these improvements in China's space capabilities can potentially be used to enhance China's weapons.⁹⁶ For example, like the United States' impressive offensive strikes during the first Persian Gulf War in 1990–1991, which were enabled by GPS, Chinese modernized armaments may later become aligned with their *Beidou* system in order to develop smart weapons, which will improve precision strikes against targets and further enhance China's conventional military capabilities.⁹⁷

In sum, it is evident that Asia's dragon has new teeth. China's rapidly growing military capability is an ingredient that produces a great amount of concern about its true intentions and fostering insecurity throughout the region among China's neighbors.

⁹² "Beidou (Big Dipper/Compass)," GlobalSecurity.org, last modified December 18, 2013, <http://www.globalsecurity.org/space/world/china/beidou.htm>.

⁹³ Office of the Secretary of Defense, *Annual Report, 2013*, 9.

⁹⁴ Ibid.

⁹⁵ Ibid.

⁹⁶ Mike Wall, "China's Space Advances Worry US Military," Space.com, February 28, 2012, <http://www.space.com/14697-china-space-program-military-threat.html>.

⁹⁷ Ibid.; Caren Kaplan, "Precision Targets: GPS and the Militarization of U.S. Consumer Identify," *American Quarterly*, 58, no. 3, (September 2006), 696, http://muse.jhu.edu/journals/american_quarterly/v058/58.3kaplan.pdf.

C. CHINA'S ASSERTIVENESS

China's large military buildup has certainly created a significant amount of distress among its regional neighbors, which has led many military analysts and leading scholars to believe that China is striving to become a Pacific hegemon.⁹⁸ As I illustrated earlier in this chapter, China's rapid military growth has given this regional dragon the necessary teeth to challenge the regional order. In this section, I am going to examine several regional incidents that demonstrate China's growing assertiveness over the past decade. This section is going to emphasize China's growing assertiveness in the region before 2011 that traces back to 1996. Furthermore, in the interest of reinforcing my argument, I am going to take a comparative analysis approach to these events of assertiveness and assess these cases before and after the rebalance policy was announced in 2011.

1. CHINA'S ASSERTIVENESS BEFORE 2011

Since 2000, China's actions have been more forceful in nature within the Pacific region, mainly over its territorial disputes in the South China Sea (SCS) and East China Sea (ECS). Furthermore, the evidence I will provide below will show how China's assertiveness has been more frequent and aggressive since 2000 particularly in the SCS and ECS.

What actions count as an assertive behavior? The several cases I will explain below are examples of Chinese assertiveness within the region since all these cases involved forceful and physical actions taken by China. How assertive was China ten years before 2000? A case that illustrates China's menacing behavior before 2000 is the Taiwan Strait Crisis. From 1995-1996, China carried out a series of military exercises and military tests near Taiwan in the interest of intimidating the Taiwanese

⁹⁸ Joseph Nye, "China's Re-emergence and the Future of the Asia-Pacific," *Survival: Global Politics and Strategy* 39, no. 4, (1997), 65–66, <http://www.tandfonline.com/doi/pdf/10.1080/00396339708442944>; Aaron L. Friedberg, "Hegemony with Chinese Characteristics," *The National Interest*, no. 114 (July/August 2011), 20, <http://web.clas.ufl.edu/users/zselden/coursereading2011/friedberg.pdf>.

government.⁹⁹ In response to China's threatening regional behavior, President Clinton deployed two aircraft carriers in order to help stabilize the region.¹⁰⁰ This example in 1996 is a case of China's assertiveness 10 years before 2000.

In 2010, former Secretary of State Clinton stated, "resolving the territorial disputes off China's southern coastline is a leading diplomatic priority."¹⁰¹ Over the last decade, the international maritime dispute over the Spratly and Paracel Islands and reefs of the South China Sea between China, Philippines, and Vietnam has attracted a considerable amount of attention. This dispute is a result of China's expansive claim and growing uses of force over these claims.¹⁰²

On March 23, 2001, a Chinese warship aggressively confronted the *USNS Bowditch* while carrying out her military survey duties near China's claimed exclusive economic zone (EEZ) in the Yellow Sea.¹⁰³ After being confronted, the *USNS Bowditch* was ordered to depart the EEZ.¹⁰⁴ This incident between the *USNS Bowditch* and the Chinese warship forced the U.S. embassy to file a written complaint with the Chinese Ministry of Foreign Affairs and redeploy the *USNS Bowditch*, but this time with an armed U.S. escort in order to continue her mission.¹⁰⁵ Another piece of evidence that highlights China's growing threatening behavior occurred on October 2006 when a Chinese submarine shadowed a U.S. aircraft carrier battle group in the Pacific Ocean and

⁹⁹ Andrew Scobell, "Show of Force: Chinese Soldiers, Statesman, and the 1995–1996 Taiwan Strait Crisis," *Political Science Quarterly* 115, no. 2 (2000), <http://onlinelibrary.wiley.com/doi/10.2307/2657901/pdf>

¹⁰⁰ *Ibid.*; "Clinton's Foreign Policy," *Foreign Policy*, no. 121 (November–December 2000), 20, <http://www.jstor.org/stable/1149615>.

¹⁰¹ Daniel Ten Kate and Nicole Gaouette, "Clinton Signals U.S. Role in China Territorial Disputes After ASEAN Talks," *Bloomberg*, July 23, 2010, <http://www.bloomberg.com/news/2010-07-23/u-s-says-settling-south-china-sea-disputes-leading-diplomatic-priority-.html>.

¹⁰² M. Taylor Fravel, "China's Strategy in the South China Sea," *Contemporary Southeast Asia: A Journal of International and Strategic Affairs*, 33, no. 3, (December 2011), 292–293.

¹⁰³ Chris Plante, "U.S. Quietly Resumes Surveillance Flights Off China," *CNN.com*, May 15, 2001, <http://edition.cnn.com/2001/US/05/15/us.china.plane/>; Raul Pedrozo, "Close Encounters at Sea: The USNS Impeccable Incident," *Naval War College Review* 62, no. 3 (2009), 101, <https://www.usnwc.edu/getattachment/c02742eb-6da5-47db-91d0-4ae01ba755e3/Close-Encounters-at-Sea-The-USNS-Impeccable-Incid.aspx>.

¹⁰⁴ *Ibid.*, 101.

¹⁰⁵ Pedrozo, "Close Encounters at Sea," 101.

surfaced within firing range.¹⁰⁶ This incident highlights how threatening Chinese submarines have become to U.S. naval forces in the Pacific.¹⁰⁷ According to a report from the *Washington Times*, the Chinese submarine approached the U.S. aircraft carrier and surfaced undetected within five miles.¹⁰⁸

Between 2005–2009, China demonstrated its growing use of force over its territorial claims in the South China Sea. First, the number of South Sea Region Fisheries Administration Bureau (SSRFAB) vessels increased from 477 to 1,235 between 2005 and 2009.¹⁰⁹ The SSRFAB is a Chinese law enforcement agency that was formed with the purpose of strengthening its ability to supervise fishing within the claimed waters. Second, in 2008 and 2009, SSRFAB vessels confronted and ejected 135 and 147 foreign vessels.¹¹⁰ Furthermore, some of these encounters were deadly and other confrontations resulted in China detaining Vietnamese fishing boats along with its crew.¹¹¹

In 2009 the SSRFAB arranged eleven special operations around the Paracel Islands, which lasted around twenty-five days in order to reinforce the Chinese presence around these claimed islands.¹¹² On March 8, 2009, five Chinese vessels harassed the *USNS Impeccable* when she was carrying out her routine patrol in the South China Sea.¹¹³ Throughout this incident, the Chinese vessels closely and aggressively followed the *USNS Impeccable* and came within 50 feet of the vessel in order to wave her down and instruct the ship to depart the area.¹¹⁴ In response to this Chinese provocation, the crew onboard the *USNS Impeccable* sprayed its fire hoses at one of the vessels. This

¹⁰⁶ “China Sub Stalked U.S. Fleet,” *Washington Times*, November 13, 2006, <http://www.washingtontimes.com/news/2006/nov/13/20061113-121539-3317r/print/>.

¹⁰⁷ Wei-Chin Lee, “Long Shot and Short Hit: China as a Military Power and Its Implications for the USA and Taiwan,” *Journal of Asian and African Studies* 43, no. 5 (2008), 527, <http://jas.sagepub.com/content/43/5/523.full.pdf+html>.

¹⁰⁸ *Ibid.*; *Washington Times*, “China Sub Stalked.”

¹⁰⁹ Fravel, “China’s Strategy in the South China Sea,” 305.

¹¹⁰ *Ibid.*

¹¹¹ *Ibid.*

¹¹² *Ibid.*

¹¹³ Yuli Yang, “Pentagon Says Chinese Vessels Harassed U.S. Ship,” *CNN*, March 9, 2009, http://www.cnn.com/2009/POLITICS/03/09/us.navy.china/index.html?_s=PM:POLITICS.

¹¹⁴ Yang, “Pentagon Says Chinese.”

incident, which occurred eight years after the *USNS Bowditch* event, helps demonstrate China's growing assertiveness in the region.¹¹⁵

On February 25, 2011, a Chinese frigate boldly fired three shots at a Philippine fishing vessel that was navigating near Jackson Atoll, which is located near the Philippines.¹¹⁶ In March 2011, two Chinese Marine Surveillance Force (MSF) vessels expelled a foreign vessel, which was carrying out her seismic surveying duties in a Philippine exploration block near Reed Bank by aggressively maneuvering around the foreign ship and forcing it to depart the area.¹¹⁷ Moreover, the Philippine government has made several reports indicating that five similar incidents occurred in the Reed Bank before June 2011.¹¹⁸ In May 2011 a MSF vessel sailed across the stern of a Vietnamese seismic survey vessel and deliberately cutting the exploration cables of the Vietnamese seismic ship.¹¹⁹ Additionally, another assertive case occurred on early June 2011 when a Chinese vessel that possessed a specialized cable-slashing device became entangled in the towed cables of a Norwegian vessel that was carrying out her seismic surveying duties off the coast of southern Vietnam located in the southwestern portion of the South China Sea.¹²⁰ Lastly, On July 5, 2011, another example of continued assertive behavior by China involved Chinese soldiers boarding a Vietnamese fishing vessel, which was operating near the Paracel Islands. According to a news report, this forceful boarding resulted in the Chinese soldiers punching and kicking the vessel's captain and threatening his crewmembers.¹²¹

The territorial disputes that have been taking place in the East China Sea mainly involve Asia's two largest powers, Japan and China. The discovery of petroleum reserves

¹¹⁵ Ibid.

¹¹⁶ Steven Groves and Dean Cheng, *A National Strategy for the South China Sea* (Washington, DC: Heritage Foundation, April 24, 2014), 9, http://thf_media.s3.amazonaws.com/2014/pdf/BG2908.pdf.

¹¹⁷ Fravel, "China's Strategy," 305.

¹¹⁸ International Crisis Group, *Stirring up the South China Sea (I)* (Beijing, China: International Crisis Group, April 23, 2012), 6, <http://www.crisisgroup.org/~media/Files/asia/north-east-asia/223-stirring-up-the-south-china-sea-i.pdf>.

¹¹⁹ Fravel, "China's Strategy," 305.

¹²⁰ Ibid., 307.

¹²¹ Groves and Cheng, *National Strategy*, 9.

in 1968 stimulated the question of ownership regarding the five islands known as Diaoyu in China and Senkaku in Japan, which were vacant at the time.¹²² Furthermore, this initial territorial dispute continued to unfold when China, Japan, and South Korea contracted firms in order to start drilling in the pursuit of oil because it augmented the uncertainty during this period.¹²³

For almost four decades sovereignty over the Diaoyu/Senkaku Islands in the East China Sea has remained unclear.¹²⁴ Overall, China had threatened Japan regarding the sovereignty over these islands 26 times between 1978 and 2008.¹²⁵ Although this territorial dispute goes back four decades, this dispute over the Diaoyu/Senkaku Islands has become more common since 2000. This territorial dispute did not heighten and become more forceful until 2010 when a Chinese fishing trawler collided with two Japanese coast guard ships.¹²⁶ This collision attracted the international community's attention regarding the East China Sea territorial dispute mainly because past events were not physical in nature. Furthermore, U.S. state officials and scholars labeled this incident as a turning point in the affairs between Japan and China.¹²⁷ After the collision, the Japanese arrested the fishing boat's captain and attempted to put him on trial.¹²⁸ According to many scholars, the apprehension of the Chinese captain was viewed differently from China and Japan.¹²⁹ China perceived the apprehension of their fishing boat captain as an act of aggression against China. In contrast to China's perspective, Japan viewed this incident as an act of aggression against their country and suspected that

¹²² Tatsushi Arai, Shihoko Goto, and Zheng Wang, *Clash of National Identities: China, Japan, and the East China Sea Territorial Dispute* (Washington, DC: Woodrow Wilson International Center for Scholars: Asia Program, 2013), 5, http://www.wilsoncenter.org/sites/default/files/asia_china_seas_web.pdf.

¹²³ Ibid., 21.

¹²⁴ Krista E. Wiegand, "China's Strategy in the Senkaku/Diaoyu Islands Dispute: Issue Linkage and Coercive Diplomacy," *Asian Security* 5, no. 2 (2009), 170, <http://www.tandfonline.com/doi/pdf/10.1080/14799850902886617>.

¹²⁵ Ibid., 178.

¹²⁶ Arai, Goto, and Wang, *Clash of National Identities*, 21.

¹²⁷ Ibid., 12–13; Ching-Chang Chen, "History as a Mirror: What Does the Demise of Ryukyu Mean for the Sino-Japanese Diaoyu/Senkaku Islands Dispute?" *Perceptions* 19, no. 1 (2014), 87–88, http://sam.gov.tr/wp-content/uploads/2014/05/perceptions_spring2014.pdf#page=91.

¹²⁸ Arai, Goto, and Wang, *Clash of National Identities*, 12.

¹²⁹ Ibid., 21; Chen, "History as a Mirror," 87–88.

this colliding incident was part of a larger plan that involved the complete occupation of the Diaoyu/Senkaku islands.¹³⁰

In sum, after examining the various assertive cases carried out by China between 2000-2011, it is fair to say that China's assertiveness has grown and their actions have become more aggressive over the recent years, particularly in the South and East China Sea. Between China's military advancements, A2/AD strategies, and growing assertiveness one can conclude that these combined factors have contributed toward an instable region.

2. CHINA'S ASSERTIVENESS AFTER 2011

In this section I am going to examine China's assertiveness since 2011 in the interest of examining how China's sustained assertiveness has influenced the implementation of the rebalance in the Asia-Pacific. As I examined above, China's actions have been more forceful and frequent since 2000 within the region, particularly over its territorial claims. Furthermore, these increased tensions due to China's assertiveness encouraged the United States and eleven other participating countries during the July 2010 ASEAN Regional Forum (ARF) to publically express its concerns about China's assertiveness).¹³¹ How assertive has China been since 2011?

On March 3, 2012 China apprehended 21 Vietnamese fishermen, who were fishing near the Paracel Islands and detained them for seven weeks.¹³² Two months later, on April 2012, Chinese and Philippine ships were involved in another confrontation that was caused over territory near the Scarborough Shoal. This incident that took place over the Scarborough Shoal commenced when the Philippines deployed its warships to look into the sightings of Chinese fishing vessels, that in turn encouraged China to dispatch its Marine Surveillance vessels in order to prevent the apprehension of the Chinese fishermen.¹³³ Even though there were multiple diplomatic attempts to defuse this

¹³⁰ Arai, Goto, and Wang, *Clash of National Identities*, 48.

¹³¹ Fravel, "China's Strategy," 310.

¹³² Groves and Cheng, *National Strategy*, 10.

¹³³ International Crisis Group, *Stirring Up the South*, 9; "Philippines 'Withdraws Warship' Amid China Stand-off," *BBC*, April 12, 2012, <http://www.bbc.com/news/world-asia-17686107>.

standoff situation, China ended assuming control over the Scarborough Shoal when its fisheries patrols raised a floating fence around this reef in order to block Philippine and fishing vessels from having access to the shoal.¹³⁴ This dispute over the Scarborough Shoal illustrates China's continued assertiveness in the South China Sea.¹³⁵

The dispute over the Diaoyu/Senkaku islands was exacerbated on September 11, 2012, when Japan's Prime Minister Yoshihiko Noda made a declaration to nationalize these disputed islands.¹³⁶ According to Japanese reports, Noda's statement was intended to prevent Governor Shintaro Ishihara from purchasing the islands and using them as a staging ground in order to carry out proactive actions.¹³⁷ In contrast to Japan's intention, China perceived Japan's announcement as a confrontational declaration and as a way to demonstrate Japan's method of taking control of these disputed islands. Furthermore, the Chinese actions that followed Japan's statement were heavily aggressive in nature. For example, after this announcement China deployed more military vessels and aircraft into this disputed area therefore created an insecure region.¹³⁸ On February 2013, Chinese military vessels aimed their fire-control radar against a Japanese ship and helicopter near the disputed islands in the East China Sea.¹³⁹

In addition to these examples of assertiveness that I have provided above, another example of China's sustained menacing behavior is their declaration on November 2013 of an extended East China Sea Air Defense Identification Zone (ADIZ).¹⁴⁰ According to China's proclamation regarding the ADIZ, Beijing stated that they would enforce the

¹³⁴ HIS Jane's, Philippines Accuses China of 'Duplicitous' Behaviour in South China Sea," *Janes's Intelligence Weekly*, last modified July 20, 2012, <https://janes.ihs.com.libproxy.nps.edu/CustomPages/Janes/DisplayPage.aspx?DocType=News&ItemId=++%20+1515450&Pubabbrev=IWR.30>.

¹³⁵ International Crisis Group, *Stirring Up the South*, 9.

¹³⁶ Arai, Goto, and Wang, *Clash of National Identities*, 48.

¹³⁷ Ibid.

¹³⁸ Ibid.

¹³⁹ Ibid., 49; Martin Fackler, "Japan Says China Aimed Military Radar at Ship," *New York Times*, February 5, 2013, http://www.nytimes.com/2013/02/06/world/asia/japan-china-islands-dispute.html?_r=0.

¹⁴⁰ Jun Osawa, "China's ADIZ Over the East China Sea: A 'Great Wall in the Sky'?" *Brookings*, December 17, 2013, <http://www.brookings.edu/research/opinions/2013/12/17-china-air-defense-identification-zone-osawa>.

rules pertaining to their ADIZ, which demands that any foreign aircraft flying through the ADIZ shall provide a flight plan.¹⁴¹ How intimidating was this Chinese statement regarding the ADIZ? This bold move by China's government was perceived as an intimidating step, particularly by Japan, since the ADIZ included a significant portion of airspace over the disputed islands between China and Japan.¹⁴² According to a *U.S. Security Review Report*, Beijing stated that this new ADIZ was a necessary step in order to protect territorial and airspace security.¹⁴³ This intimidating behavior carried out by China, illustrates their continuous assertiveness throughout the Pacific region, which in turn influences the implementation of the rebalance strategy to the Asia-Pacific.

Another recent case of Chinese assertiveness, involved a U.S. warship and a Chinese amphibious ship. In December 2013, the *USS Cowpens* found herself aggressively maneuvering in order to avoid colliding with a Chinese warship.¹⁴⁴ According to reports, the *USS Cowpens* was safely navigating within international waters in the South China Sea when she was forced to boldly maneuver because of a Chinese amphibious ship that crossed the U.S. warship's path at a close distance.¹⁴⁵ According to Chinese officials, the PLA Navy was provoked by the belief that the *USS Cowpens* was monitoring activities of China's new aircraft carrier, *Liaoning*.¹⁴⁶ These actions taken by China's naval forces are further cases that illustrate Beijing's constant threatening behavior therefore helping to shape the implementation of the rebalancing strategy.

In sum, although some of these incidents involved non-military Chinese ships, these cases that I provided above highlights China's forcefulness within the region since

¹⁴¹ Ibid.

¹⁴² Kimberly Hsu, *Air Defense Identification Zone Intended to Provide China Greater Flexibility to Enforce East China Sea Claims* (Washington, DC: U.S.-China Economic and Security Review Commission, January 14, 2014), 1, <http://origin.www.uscc.gov/sites/default/files/Research/China%20ADIZ%20Staff%20Report.pdf>.

¹⁴³ Ibid.

¹⁴⁴ Groves and Cheng, *A National Strategy*, 10; Barbara Starr, "U.S., Chinese Warships Come Dangerously Close," *CNN*, December 13, 2013, <http://www.cnn.com/2013/12/13/politics/us-china-confrontation/>.

¹⁴⁵ Peter A. Dutton, "China's Maritime Disputes in the East and South China Seas," *Naval War College Review* 67, no. 3 (2014), 14, <https://www.usnwc.edu/Publications/Naval-War-College-Review/2014---Summer.aspx>.

¹⁴⁶ Ibid., 14–15.

the announcement of the rebalance strategy. These assertive actions raise a significant amount of questions and concerns among its China's regional neighbors and outside observers such as, what are China's intentions? Does China seek to become a Pacific hegemon?¹⁴⁷ According to analysts, China's method for behaving assertively within the region and particularly toward its territorial disputes is characterized as a salami-slicing strategy.¹⁴⁸ Furthermore, this salami-slicing strategy is associated with a series of bold tactics that will help China take control over disputed territories, and progressively change the status quo in Beijing's favor.¹⁴⁹ After examining and comparing China's acts of assertiveness before the announcement of the rebalance strategy in 2011, and since 2011, it is easy to see China's growth and sustained assertive behavior. In the following section of this chapter, I am going to examine the U.S. military element of the rebalance strategy, and examine its importance in reassuring U.S. allies and partners in the region.

D. U.S. MILITARY RESPONSES

The military aspect of the rebalance strategy is a high profile and critical piece of the U.S. shift to the Pacific, which is aimed toward the reassurance of U.S. allies and partners within the region. According to a Congressional Research Service Report, the Obama's administration's increased efforts and change of policy on the Asia-Pacific region was encouraged by China's growing military capabilities and increased assertiveness within the region.¹⁵⁰

As former Secretary of Defense Leon Panetta stated, "U.S. rebalancing toward the Asia-Pacific represents an important change in U.S. defense strategy."¹⁵¹ This shift in focus and strategy toward the Pacific is certainly a major change from previous strategies. In January 2012, the U.S. Department of Defense (DOD) released a fresh defense

¹⁴⁷ Friedberg, "Hegemony with Chinese," 24.

¹⁴⁸ Ronald O'Rourke, *Maritime Territorial and Exclusive Economic Zone (EEZ) Disputes Involving China: Issues for Congress* (CRS Report No. R42784) (Washington, DC: Congressional Research Service, July 3, 2014), 11, <http://www.fas.org/sgp/crs/row/R42784.pdf>.

¹⁴⁹ *Ibid.*, 11.

¹⁵⁰ Manyin et al, *Pivot to the Pacific?* 2.

¹⁵¹ "Secretary of Defense Speech: Shangri-La Security Dialogue, 2012," Department of Defense, June 2, 2012, <http://www.defense.gov/speeches/speech.aspx?speechid=1681>.

strategic guidance, which is titled “Sustaining U.S. Global Leadership: Priorities for 21st Century Defense.” This strategic document underscores the justification for shifting the focus to the Asia-Pacific and highlights the primary missions of the U.S. military during this shift, which include deter and defeat aggression, project power despite A2/AD challenges, and provide a stabilizing presence within the Asia-Pacific.¹⁵² In order to successfully support these primary missions, the DOD will need to skillfully re-posture its global forces toward the Asia-Pacific without adversely impacting other regions throughout the world. In the interest of developing my argument, which is centered on strategically reassuring U.S. allies and friends, how far the United States has gone toward implementing its military element of the rebalance strategy?

According to U.S. defense civilian leadership and senior military leaders, the military purpose of the rebalance strategy is characterized into three parts, which are a broader distribution of forces, increased flexibility, and enhancing partner’s capacities.¹⁵³ First, increasing the U.S. military presence within the region allows the United States to have its forces more broadly distributed, which in turn strengthens the defense posture within the Asia-Pacific.¹⁵⁴ Moreover, it is mutually beneficial for the United States and for the states within the Asia-Pacific to increase the U.S. military presence within the region since this defense posture will enable the United States to adopt a more adjustable model.¹⁵⁵ Second, this shift of emphasis on the military allows U.S. forces to take on a more flexible approach to deployments toward the Pacific region.¹⁵⁶ Furthermore, U.S. defense officials characterize the military element of the rebalance strategy as a more accommodating approach since future U.S. deployments will be smaller and more

¹⁵² Secretary of Defense, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense* (Washington, DC: Department of Defense, January 2012), 5–6, http://www.defense.gov/news/defense_strategic_guidance.pdf.

¹⁵³ Manyin et al., *Pivot to the Pacific?* 11.

¹⁵⁴ Ibid.

¹⁵⁵ Manyin et al., *Pivot to the Pacific?* 11.

¹⁵⁶ Secretary of Defense, *Sustaining U.S Global*, 5–6.

agile.¹⁵⁷ Third, this shift allows the United States to strengthen its military ties with its regional allies and partners.¹⁵⁸

In 2011, the United States pledged to take a variety of steps in order to help shift its military resources towards the Pacific.¹⁵⁹ As part of the U.S. strategic shift toward the Asia-Pacific, the United States announced new troop deployments to Australia, new naval deployments to Singapore and the Philippines.¹⁶⁰ Furthermore, another announcement that was made in 2013 was the relocation of U.S. Marine Corps units from Okinawa to Guam and Hawaii, and transforming them into four Marine Air Ground Task Forces (MAGTFs).¹⁶¹ Another major piece that was announced in 2012 by former Secretary of the Navy Leon Panetta was the reorganization of U.S. naval forces into the Asia-Pacific.¹⁶² According to Panetta, by 2020, 60 percent of the U.S. naval fleet will be based in the Pacific region.¹⁶³

1. AIR-SEA BATTLE STRATEGY

In September 2009, U.S. Air Force chief of staff and the U.S. Navy chief of naval operations signed a document that gave birth to the Air-Sea Battle operational concept. The ASB operational concept is intended to integrate air force and navy assets to swiftly and efficiently carry out operations in the Western Pacific Theater of Operations (WPTO), and within other theaters of operation.¹⁶⁴ Although the ASB operational concept did not emerge until 2009, this joint operational theory was found to be effective in addressing the distinctive challenges, which were presented in the Asia-Pacific, such as

¹⁵⁷ Manyin et al., *Pivot to the Pacific?* 11.

¹⁵⁸ Ibid.

¹⁵⁹ Manyin et al., *Pivot to the Pacific?* 1.

¹⁶⁰ Manyin et al., *Pivot to the Pacific?* 1.

¹⁶¹ Berteau et al., *U.S. Force Posture*, 8.

¹⁶² Leon Panetta, "America's Pacific Rebalance," Project Syndicate, December 31, 2012, <http://www.project-syndicate.org/commentary/renewing-the-us-commitment-to-the-asia-pacific-region-by-leon-e-panetta>.

¹⁶³ Ibid.

¹⁶⁴ Jan van Tol et al., "AirSea Battle: A Point-of-Departure Operational Concept," (Washington, DC: Center for Strategic and Budgetary Assessments, May 18, 2010), xiv, <http://www.csbaonline.org/wp-content/uploads/2010/05/2010.05.18-AirSea-Battle.pdf>.

the emerging anti-access and ant-denial capabilities within the region.¹⁶⁵ According to the current Chief of Naval Operations Admiral Jonathan Greenert, “there is good strategic, operational, and tactical value in the ASB operational concept.”¹⁶⁶ Moreover, this joint operational model addresses the emerging A2/AD capabilities, which presents a threat to U.S. forces in the near future and risk the successful execution of the U.S. rebalance strategy.

In the interest of developing my argument, which is centered on strategically reassuring U.S. allies and friends because of China’s military growth and assertiveness, how far the United States has gone toward implementing its military element of the rebalance strategy? After describing what military steps the United States pledged to take toward the Asia-Pacific and examining the Air-Sea Battle operational concept’s relevance to the rebalance, in the following sub-sections I am going to describe the steps that have been implemented in support of the rebalance strategy. In order to clearly address these steps, I will separate and describe them according to their associated military service. Furthermore, I am going to address these steps based on their level of importance to the U.S. rebalance strategy.

2. U.S. NAVY

The close involvement of the U.S. Navy in the rebalance strategy is an important piece of this shift in policy that was driven by regional security concerns which is why I will start addressing the U.S. Navy’s steps. What is the U.S. Navy’s overall role in the rebalance strategy? According to Panetta’s strategic guidance, which was given in 2012, the Navy’s ultimate goal is to have 60 percent of its naval assets based in the Pacific by 2020.¹⁶⁷ The navy’s shift of its overall surface combatants started taking its shape on February 11, 2014, when the *USS Donald Cook* started her forward deployment

¹⁶⁵ Ratner, “Rebalancing to Asia,” 26.

¹⁶⁶ Jonathan Greenert, “Chief of Naval Operations Adm. Jonathan Greenert’s Opening Remarks at the Brookings Institution Air - Sea Battle Doctrine,” Website of the U.S. Navy. May 16, 2012. http://www.navy.mil/navydata/people/cno/Greenert/Speech/120516%20Air%20Sea%20Battle_Brookings.pdf.

¹⁶⁷ Panetta, “America’s Pacific Rebalance.”

operations in the area of the sixth fleet.¹⁶⁸ According to the Commander of Naval Surface Forces, the *USS Ross* left its homeport in Norfolk on June 3, 2014 in order to make her transit to Rota, Spain.¹⁶⁹ The *USS Ross* will be the second of four guided-missile destroyers to be forward deployed in Spain.¹⁷⁰

These homeport shifts of U.S. destroyers to Rota, Spain are part of a larger plan of increasing the naval presence in the Pacific. According to Panetta's guidance, permanently stationing four destroyers in Rota, Spain, in order to provide ballistic missile support to the U.S. European allies is a way to rotate six destroyers from the Atlantic and assigned them to the Asia-Pacific, which will strengthen the security in the Asia-Pacific and reassure its allies and partners against an assertive China.¹⁷¹

The repositioning of a fourth attack submarine, which will be based in Guam, is another implemented step forward toward the strategic reshaping in the Asia-Pacific in the interest of reassurance.¹⁷² According to navy's leadership, the *USS Topeka* will be the planned addition to Guam's strategic hub, which in turn will augment the navy's presence in the region.¹⁷³ Another step toward the implementation of the rebalance strategy is *USS Freedom's* (LCS-1) first rotational deployment to Southeast Asia in March 1, 2013.¹⁷⁴ This first rotational deployment is another example of how actions are matching words,

¹⁶⁸ Commander, U.S. Naval Forces Europe-Africa/U.S. 6th Fleet Public Affairs, "USS Donald Cook Begins Forward Deployment to Rota, Spain," United States Navy, February 11, 2014, http://www.navy.mil/submit/display.asp?story_id=79072.

¹⁶⁹ Commander, Naval Surface Force, U.S. Atlantic Fleet Public Affairs, "USS Ross to be Forward Deployed to Rota, Spain," United States Navy, June 4, 2014, http://www.navy.mil/submit/display.asp?story_id=81428.

¹⁷⁰ Ibid.

¹⁷¹ Ashton B. Carter, "Deputy Secretary of Defense Speech: The U.S. Defense Rebalance to Asia," Department of Defense, April 8, 2013, <http://www.defense.gov/Speeches/Speech.aspx?SpeechID=1765>.

¹⁷² Topeka Named as 4th Sub to be Based in Guam," *Navy Times*, February 11, 2014, <http://www.navytimes.com/article/20140211/NEWS/302110009/Topeka-named-4th-sub-based-Guam>.

¹⁷³ Ibid.

¹⁷⁴ Commander, Logistics Group Western Pacific Public Affairs, "USS Freedom (LCS-1) Gets Underway from Singapore for Final Time," United States Navy, November 16, 2013, http://www.navy.mil/submit/display.asp?story_id=77696.

since in the fall of 2011 the United States stated that one of its steps was to launch new rotational deployments to Singapore.¹⁷⁵

Since the announcement of this strategic shift toward the Pacific other naval assets have been repositioned to the Pacific Command's (PACOM) area of responsibility. For example, EP-3 signal reconnaissance aircrafts have been repositioned from Central Command (CENTCOM) to PACOM as military operations in Iraq and Afghanistan come to an end. In addition, Navy P-3s, which served as maritime patrol aircraft in Iraq and Afghanistan, were placed back to PACOM since the drawdown of forces in Iraq.¹⁷⁶

The increased naval presence in the U.S. Pacific is important for assuring allies/partners against an assertive China because it will help in strengthening Asia's security environment and increases the ability for the United States to project power in the region.¹⁷⁷ Furthermore, the naval component of the U.S. rebalancing strategy is welcomed by many countries in the Pacific. For example, the United States and Singapore signed an agreement that will eventually permit four littoral combat ships (LCSs) to be forward deployed in Singapore, which the first of the LCS ships recently completed her maiden deployment.¹⁷⁸ Another example of the welcoming of the increased naval presence in the Pacific is the signing of a ten-year agreement, which occurred on April 2014 between the United States and the Philippines.¹⁷⁹ Moreover, this agreement will allow naval forces to have a greater access to bases across the Philippines and thus will help reinforce the navy's presence within the region. The increased U.S. presence in the region will not only enhance the region's security, but will also aid in

¹⁷⁵ Manyin et al., *Pivot to the Pacific?* 1.

¹⁷⁶ Carter, "Deputy Secretary of Defense."

¹⁷⁷ Ibid., 2.

¹⁷⁸ Molly Evans, "USS Freedom Completes Maiden Deployment; Returns to San Diego," United States Navy, December 23, 2013, http://www.navy.mil/submit/display.asp?story_id=78445; Jonathan Greenert, "Sea Change: The Navy Pivots to Asia," *Foreign Policy*, November 14, 2012, http://www.foreignpolicy.com/articles/2012/11/14/sea_change.

¹⁷⁹ Jim Gomez, "U.S. Philippines Reach Deal on Military Accord," *Navy Times*, April 27, 2014, <http://www.navytimes.com/article/20140427/NEWS05/304270012>.

reassuring the Filipino government against an assertive China over territorial claims in the South China Sea.¹⁸⁰

3. MARINE CORPS

Although the U.S. Marine Corps transitioned out of Iraq and Afghanistan they also have a critical role in this shift of fundamental policy toward the Asia-Pacific. What is the marines overall role in the U.S. rebalance strategy? According to U.S. defense officials, since the announcement of this strategy, the Marine Corps will establish a 2,500 marine rotational force in Darwin, Australia.¹⁸¹ In April 2012, approximately seven months after Obama's "Pivot to the Pacific" statement, 200 marines arrived in Darwin, Australia.¹⁸² A second rotation of approximately 250 marines arrived in April 2013.¹⁸³ Additionally, in April 2014, the third rotational marine deployment to Darwin was carried out, which included a rotational force of 1,150 marines.¹⁸⁴ This rotational force in Australia is in accordance with the strategic guidance that was offered in 2012 by the Obama administration, which stressed the steady drive to increase the military presence in the Pacific. Establishing a rotational presence of marines in Darwin helps reinforce the preservation of peace and stability throughout the Asia-Pacific region, mainly because this rotational presence will enhance the ability of U.S. and Australian forces to rapidly deploy in order to meet regional challenges such as general security conditions, humanitarian assistance, and disaster relief situations.¹⁸⁵ Another strategic value this rotational presence provides the United States is its enhancement of security cooperation

¹⁸⁰ Juliet Eilperin, "U.S., Philippines Reach 10-year Defense Agreement Amid Rising Tensions," *Washington Post*, April 27, 2014, http://www.washingtonpost.com/world/us-philippines-to-sign-10-year-defense-agreement-amid-rising-tensions/2014/04/27/a04436c0-cddf-11e3-a75e-463587891b57_story.html.

¹⁸¹ Manyin et al., *Pivot to the Pacific?* 5.

¹⁸² Donna Miles, "Rotational Force in Australia Paves Way for Big Growth in 2014," Department of Defense, September 24, 2013, <http://www.defense.gov/news/newsarticle.aspx?id=120844>.

¹⁸³ Ibid.

¹⁸⁴ Australian Defence Facilities, "US Marine Rotational Force—Darwin," Nautilus Institute, September 30, 2013, <http://nautilus.org/briefing-books/australian-defence-facilities/us-marine-rotational-force-darwin/>.

¹⁸⁵ Berteau et al., *U.S. Force Posture*, 31; Bruce Vaughn, *Australia and the U.S. Rebalancing to Asia Strategy* (CRS Report No. R42822) (Washington, DC: Congressional Research Service, October 26, 2012), 1, 11, <https://www.hsdl.org/?view&did=726853>.

particularly with countries in Southeast Asia, which over the past decade has assumed a greater importance in U.S. strategic thinking.¹⁸⁶

The Australian perspective toward the U.S. rebalancing to Asia strategy is generally favorable. According to a poll taken back in 2012, 87 percent of Australians support the United States' rebalance toward Asia and agree that the U.S.-Australian alliance is important for Australia's security.¹⁸⁷ Australia's strong support toward the rebalancing strategy is essential in order to increase the U.S. military presence in the region will contribute toward the reassurance of allies and partners within the region.

4. AIR FORCE

The air force's role in this strategy is to assign space, tactical aircraft, and bomber forces to the Asia-Pacific.¹⁸⁸ The overall objective for shifting air force resources into the Pacific region is to be able to deliver speed, surveillance, reconnaissance, and swift power projection within the Asia-Pacific region in the event they are needed to meet security threats.¹⁸⁹ According to the 2014 Federal Budget Fact Sheet for the Asia-Pacific, \$70 million dollars has been committed in order to carry out rotational deployments of U.S. air force units onto Australia, in the interest of increasing air-superiority within the Pacific region.¹⁹⁰ Moreover, these funds will be used to support military exercises and training between the air force and other allies and partners throughout the Asia-Pacific region.¹⁹¹ Another key air force contribution toward this shift in strategy is the augmentation in the air force's B-52s to the region, since military operations in Iraq and

¹⁸⁶ Peter Jennings, "The U.S. Rebalance to the Asia-Pacific: An Australian Perspective," *Asia Policy*, no. 15 (January 2013), 39, http://muse.jhu.edu/journals/asia_policy/v015/15.jennings.pdf.

¹⁸⁷ Ibid., 40; Fergus Hanson, *Lowy Institute Poll 2012: Australia and New Zealand in the World, Public Opinion and Foreign Policy* (Sydney, Australia: Lowy Institute for International Policy, 2012), <http://www.lowyinstitute.org/publications/lowy-institute-poll-2012-public-opinion-and-foreign-policy>.

¹⁸⁸ Ibid.

¹⁸⁹ Herbert J. Carlisle, *Pacific Air Forces Strategic Plan 2013: Projecting Airpower in the Pacific* (N.p.: Pacific Air Forces, 2013), <http://www.pacaf.af.mil/shared/media/document/afd-130611-122.pdf>.

¹⁹⁰ "Fact Sheet: The Fiscal Year 2014 Federal Budget and the Asia-Pacific," The White House, April 12, 2013, http://www.whitehouse.gov/sites/default/files/docs/asia_pacific_rebalance_factsheet_20130412.pdf.

¹⁹¹ Ibid.

Afghanistan are drawing down.¹⁹² Increasing the U.S. air force power in the Pacific is important to the rebalance strategy since it further demonstrates the U.S. intentions on increasing its military presence in the Pacific in the interest of implementing the rebalance strategy.¹⁹³

5. ARMY

Another American ground force that was deeply engaged with the conflicts in Iraq and Afghanistan also plays an important part in this rebalance strategy. The U.S. Army's long-term objective is increasing its presence within the Pacific, by shifting its resources from other regions to the Pacific. The army has roughly 88,000 soldiers and civilians who are forward deployed in the Asia-Pacific region currently supporting the PACOM commander.¹⁹⁴ Furthermore, as army forces continue to draw down in the Middle East more troops will be available for rotations to the Asia-Pacific. Moreover, these rotational deployments will be mainly carried out by regiment battalions, which possess around 800 troops, in support of the rebalance strategy in the Asia-Pacific.¹⁹⁵ The army's increased presence is important to assuring U.S. allies and partners, primary because this shift of army's resources to the Pacific will help strengthen the regional security environment, and solidify the U.S. commitment towards the Asia-Pacific.¹⁹⁶

E. CHAPTER CONCLUSION

In conclusion, the changes in the U.S. military posture support the U.S. rebalance strategy to the Asia Pacific. Even though Beijing states that its rise is peaceful, I argued in this chapter that the United States adopted this change of policy in response to China's growth in military capabilities and increasingly threatening behavior within the region in order to strategically reassure its regional allies and partners. In this chapter, I first

¹⁹² Ibid.

¹⁹³ Berteau et al., *U.S. Force Posture*, 17.

¹⁹⁴ Lisa Ferdinando, "Army Rebalancing to Pacific, Seeking Other Alignments," *ARNEWS*, January 8, 2014, http://www.army.mil/article/117989/Army_rebalancing_to_Pacific_seeking_other_alignments/.

¹⁹⁵ Donna Miles, "Cavalry Rotational Deployment Supports Asia-Pacific Rebalance," Department of Defense, January 7, 2014, <http://www.defense.gov/news/newsarticle.aspx?id=121439>.

¹⁹⁶ Ferdinando, "Army Rebalancing to Pacific,"

presented evidence on China's expansion in their defense budget and military capabilities and demonstrated how this has enabled their threatening behavior. Moreover, with this evidence regarding China's assertiveness I illustrated how China's behavior has become more forceful within the region since 2000, particularly in the South and East China Sea. Furthermore, in the interest of demonstrating the U.S. intentions toward the U.S.'s rebalancing to the Pacific strategy, I gathered and presented the steps that the United States has taken in order to meet its strategic proposals since its announcement in 2011. The next chapter in this thesis will examine the economic reasons for the U.S. rebalance strategy.

III. ECONOMIC REASONS FOR THE REBALANCE TO THE PACIFIC

A. INTRODUCTION

In the words of former Secretary of State Hillary Clinton, “Our economic recovery at home will depend on exports and the ability of American firms to tap into the vast and growing consumer base of Asia.”¹⁹⁷ This statement, which was delivered in Clinton’s 2011 *Foreign Policy* article, underscored the importance for the United States to take advantage of Asia’s economic growth and vast investment opportunities. The 2008 financial crisis had a significant effect on the United States, which led to the loss of millions of U.S. jobs that in turn adversely affected the U.S. economy. Deepening working relationships, engaging with Asia’s multilateral institutions, and expanding trade and investments are a few key initiatives that were announced in 2011 to help strengthen its economy.¹⁹⁸ Although one main reason for this rebalance strategy was to strategically reassure U.S. allies and partners against an assertive China, I will argue in this chapter that another motive for the rebalance strategy was to take advantage of Asia’s economic growth. In this chapter, I will first examine certain consequences of the 2008 financial crisis, and analyze how its ramifications weakened the U.S. economy. Second, I will assess in this chapter the reasoning behind shifting toward the Pacific and not Europe. Third, I will show that although Asia’s economy was impacted by the 2008 financial crisis, the effects were less severe compared to the United States and Europe. In addition, I will examine various indicators of Asia’s economic importance and its relevance to the rebalance strategy. Fourth, I will examine some of the U.S. key economic responses to the financial crisis, including the National Export Initiative, strengthening regional relationships, and efforts in finalizing the Trans-Pacific Partnership, and explain how these responses are related to the rebalancing strategy.

¹⁹⁷ Clinton, “America’s Pacific Century.”

¹⁹⁸ Ibid.

B. THE 2008 FINANCIAL CRISIS: IMPACTS ON THE UNITED STATES, EUROPE, AND ASIA

The 2008 financial crisis was an economic disaster that had an adverse impact on the U.S. economy. The chain of events that started with the bursting of the U.S. housing market bubble triggered the 2008 financial crisis.¹⁹⁹ In October 2008, the flow of credit was restricted to consumers and businesses, consumer confidence dropped, and in turn, economies throughout the globe fell into economic recession.²⁰⁰ By the end of 2008, the total amount of job losses was estimated to be about 2.6 million; these job losses marked the highest level in the United States in more than six decades.²⁰¹ Moreover, this great loss of American jobs had a significant impact on the U.S. unemployment rate. In 2007, unemployment in the United States was at 5.0 percent and by the end of 2009 the unemployment had sharply increased to a 9.5 percent.²⁰²

In addition to its social and economic impact, the 2008 financial crisis also created security issues. According to former director of National Intelligence Dennis Blair, “instability in countries around the globe caused by the global economic crisis, rather than terrorism is a key near-term security threat to the United States.”²⁰³ These words emphasized the impact of the financial crisis on national security.

The financial crisis had a negative impact on the U.S. economy, but its effects were also visible in Europe. The decline of various European economies ignited another economic disaster in Europe, which is often referred to as the Eurozone crisis.²⁰⁴

¹⁹⁹ Dick K. Nanto, *The Global Financial Crisis: Analysis and Policy Implications* (CRS Report No. RL34742) (Washington, DC: Congressional Research Service, October 2, 2009), 2, <http://www.fas.org/sgp/crs/misc/RL34742.pdf>.

²⁰⁰ Ibid.

²⁰¹ David Goldman, “Worst Years for Jobs since ’45,” *CNN*, January 9, 2009, http://money.cnn.com/2009/01/09/news/economy/jobs_december/.

²⁰² Department of Labor, “Bureau of Labor Statistics Data,” accessed on August 29, 2014, <http://data.bls.gov/timeseries/LNS14000000>; U.S. Bureau of Labor Statistics, *The Recession of 2007–2009* (Washington, DC: U.S. Bureau of Labor Statistics, February 2012), http://www.bls.gov/spotlight/2012/recession/pdf/recession_bls_spotlight.pdf.

²⁰³ U.S. Bureau of Labor Statistics, *The Recession of 2007–2009*, 17.

²⁰⁴ Raymond J. Ahearn et al., *The Future of the Eurozone and U.S. Interests* (CRS Report No. R41411) (Washington, DC: Congressional Research Service, January 17, 2012), 1, <http://www.fas.org/sgp/crs/row/R41411.pdf>.

Europe's economic crisis triggered three distinct catastrophes—banking, sovereign debt, and growth crises—that furthered weakened the economy.²⁰⁵ First, Europe's banks were undercapitalized and faced a liquidity issue, which in turn caused consumers to lose faith in their banking institutions and withdraw their money. Second, the sovereign debt crisis caused multiple countries in Europe to face high bond yields, making it difficult for some governments to repay its borrowers.²⁰⁶ Third, the slowdown in Europe's economic growth was another key reason why the United States did not look toward Europe in 2011 to help strengthen its economy. These problems made Europe's economy unattractive to the United States because of its adverse impact on U.S. exports and its inability to create American jobs.²⁰⁷

1. ASIA'S ECONOMIC IMPORTANCE

Although Asian economies were affected by the 2008 financial crisis, its effects on them were less severe compared to the United States and Europe. In 2008, the total bankruptcies in the United States rose to 1,117,771 from the 850,912 in 2007.²⁰⁸ In contrast to the United States, after the first months of the financial crisis Asian states did not face this large amount of bankruptcies or have to bail out big domestic financial institutions.²⁰⁹ According to a Congressional Research Service Report, many nations particularly those in East Asia, ended with current account surpluses, which significantly contributed toward the buildup of a large amount of government reserves within the Asia-Pacific region.²¹⁰ The benefit for Asia having a large amount of government reserves at the beginning of the crisis was that these reserves helped Asian economies to immediately deliver fiscal stimulus packages, inject capital into their financial systems,

²⁰⁵ Shambaugh, Reis, and Rey, "Euro's Three Crises," 157.

²⁰⁶ Sheyna Steiner, "European Debt Crisis, Impact on the US," *Bankrate*, October 29, 2012, <http://www.bankrate.com/finance/economics/european-debt-crisis-impact-on-us-1.aspx>.

²⁰⁷ *Ibid.*

²⁰⁸ Andy Sullivan, "U.S. Bankruptcy Filings up 31 Percent in 2008," *Reuters*, March 5, 2009, <http://www.reuters.com/article/2009/03/05/us-usa-bankruptcy-filings-idUSTRE5246GO20090305>.

²⁰⁹ Nanto, *Global Financial Crisis*, 69.

²¹⁰ *Ibid.*, 69–70.

and offer guarantees for private financial exchanges.²¹¹ Although in Asia the growth of GDP declined at the outset of the crisis, its economic recovery was more rapid compared to the U.S. and Europe. This rebound was a result of the immediate support of fiscal and monetary policies that was injected into its economy.²¹²

Asian economies became a higher priority in U.S. foreign policy after the 2008 financial crisis for three main reasons.²¹³ First, Asia's economic importance involved a variety of factors, which included Asia's large population, its significant growth in science, technology, engineering, and mathematical education in many Asian states.²¹⁴ This growth in education allows for increased economic opportunities in the future in Asia. Second, some of the fastest emerging economies were also found in Asia.²¹⁵ Third, benefiting from trade was another key motive for placing Asia's economy as a priority in U.S. foreign policy.

Before the United States adopted the rebalance strategy in 2011 Asia's economy was already showing signs of growth. According to a regional economic report by the International Monetary Fund, Asia's share of global exports and imports doubled between 1980 and 2010.²¹⁶ Even though Asian economies were impacted by the financial crisis, Asian economies showed growth 1.5 years after the start of the crisis. The Asia-Pacific region sustained a positive growth from 5.7 percent in 2008 to 7.6 percent in 2009.²¹⁷ In contrast to the economic growth rate in the U.S., which grew at 2.9% in 2010,

²¹¹ Ibid., 70.

²¹² Sonia Brunschwig et al., *The Global Financial Crisis: Impact on Asia and Emerging Consensus* (Manila, Philippines: Asian Development Bank, February 2011), 2, 17, <http://www.adb.org/sites/default/files/pub/2011/Impact-on-Asia-and-Emerging-Consensus.pdf>.

²¹³ Manyin et al., *Pivot to the Pacific?* 20; Clinton, "America's Pacific Century," 1.

²¹⁴ Paul Sullivan, "Why is Asia Important to the United States?" *The UB Post*, December 20, 2012, <http://ubpost.mongolnews.mn/?p=2252>.

²¹⁵ Ibid.

²¹⁶ Manyin et al., *Pivot to the Pacific?* 20, 26.

²¹⁷ "Economic Growth - Statistical Yearbook for Asia and the Pacific 2011," United Nations Economic and Social Commission for Asia and the Pacific, 2011, <http://www.unescap.org/stat/data/syb2011/III-Economy/Economic-growth.asp>.

Asia's rapid economic growth reached an impressive 8.3 percent in 2010.²¹⁸ In 2011, Asia's economic growth rate averaged about 7 percent, which was greatly assisted by China and India's economies because of their expansion by 9 percent.²¹⁹

U.S. exports to Asia have increased since 2009. In order to illustrate this growth of U.S. exports to Asia, I will use Asia's five largest economies since 2011, which were China, India, Japan, South Korea, and Indonesia. According to the United States Census Bureau, from 2009 to 2011, U.S. exports to these five large economies increased ²²⁰ (see Table 1).

Table 1. U.S. exports to Asia. All figures are in millions of U.S. dollars.²²¹

Asian Economies	2009	2010	2011
China	296,373.9	364,952.6	399,371.2
Japan	95,803.7	120,552.1	128,927.9
India	21,166.0	29,532.9	36,154.5
South Korea	39,215.6	48,875.2	56,661.4
Indonesia	12,938.6	16,475.3	19,110.9

²¹⁸ "US GDP 2010," *EconPost*, April 25, 2011, <http://econpost.com/gdp/us-gdp-2010>; International Monetary Fund (IMF), *Regional Economic Outlook, Asia and Pacific: Managing the Next Phase of Growth* (Washington, DC: IMF, April 2011), <https://www.imf.org/external/pubs/ft/reo/2011/apd/eng/areo0411.pdf>.

²¹⁹ IMF, *Regional Economic Outlook, 2011*; Brunschwig et al., "Global Financial Crisis," 9.

²²⁰ The World Bank, "GDP ranking," accessed on September 4, 2014, <http://data.worldbank.org/data-catalog/GDP-ranking-table>.

²²¹ U.S. Census Bureau, "Foreign Trade - Trade in Goods with China," accessed on September 4, 2014, <https://www.census.gov/foreign-trade/balance/c5700.html>; U.S. Census Bureau, "Foreign Trade - Trade in Goods with Japan," accessed on September 4, 2014, <https://www.census.gov/foreign-trade/balance/c5880.html>; U.S. Census Bureau, "Foreign Trade - Trade in Goods with India," accessed on September 4, 2014, <https://www.census.gov/foreign-trade/balance/c5330.html>; U.S. Census Bureau, "Foreign Trade - Trade in Goods with South Korea," accessed on September 4, 2014, <https://www.census.gov/foreign-trade/balance/c5800.html>; U.S. Census Bureau, "Foreign Trade - Trade in Goods with Indonesia," accessed on September 4, 2014, <https://www.census.gov/foreign-trade/balance/c5800.html>.

This rise of U.S. exports to Asia demonstrates how Asia's export markets were becoming important to the Obama administration in order to boost the U.S. economic growth and support the creation of millions of American jobs. In 2010, China was ranked the world's second largest economy with a GDP of about \$5.9 trillion and Japan was ranked number three with a GDP of about \$5.5 trillion.²²² India was ranked the world's tenth largest economy with \$1.9 trillions of dollars in GDP.²²³ Additionally in 2010, eight of the 20 fastest growing economies in the world were found in the Asia-Pacific.²²⁴

Foreign direct investment (FDI) from the Asia-Pacific region into the United States also played a critical role in strengthening of the U.S. economy. The United States benefited immensely from Asian-Pacific FDI because of the creation of millions of American jobs. In 2008, Asian-Pacific FDI accounted for 16 percent of the total FDI position in the U.S. economy, which was \$310 billion.²²⁵ The remainder of the 71 percent of FDI in the United States was dominated by Europe.²²⁶ In 2008, Japanese companies invested a total \$35.7 billion in the United States. Australian companies trailed Japan's FDI with \$15.6 billion, India with \$1.7 billion and Singapore with \$1.4 billion.²²⁷ By 2012, the amount of Asian-Pacific FDI into the United States increased to 31 percent.²²⁸ This 15 percent increase from 2008 to 2012 has contributed toward the employment of thousands of Americans, which in turn has played an important role in U.S. economic

²²² Andrew Bergman, "World's Largest Economies," *CNN*, accessed on August 30, 2014, http://money.cnn.com/news/economy/world_economies_gdp/.

²²³ Ibid.

²²⁴ Lucas Kawa, "The 20 Fastest Growing Economies in the World," *Business Insider*, October 24, 2012. <http://www.businessinsider.com/worlds-fastest-economies-2012-10?op=1>.

²²⁵ International Trade Administration, *Asian-Pacific Foreign Direct Investment in the United States* (Washington, DC: U.S. Department of Commerce, August 2009), 2, <http://www.ita.doc.gov/media/publications/pdf/asian-pacific-fdi2009.pdf>; Organization for International Investment, *Foreign Direct Investment in the United States: 2013 Report* (Washington, DC: Organization for International Investment, 2013), 3, http://www.ofii.org/sites/default/files/FDIUS_2013_Report.pdf.

²²⁶ Ibid.

²²⁷ Ibid.

²²⁸ Scot Maricel, "Economic Aspects of the Asia Rebalance," Department of State, December 18, 2013, <http://www.state.gov/p/eap/rls/rm/2013/12/218291.htm>.

growth. After examining some historical economic data before 2011, it is fair to say that Asia's economic growth offered vast economic opportunities to the United States.

After Clinton's article in 2011, Asia's economy continued to show signs of growth. According to the IMF's regional report, Asia showed a 6.75 percent economic growth in 2012.²²⁹ The IMF released a regional report in 2014 that showed Asia's steady economic growth throughout 2014 and projected Asia's economic development to remain solid at 5.5 percent in 2015.²³⁰ As Asia's economy continues to grow, its region's economic outlook will be of great importance to the United States simply because America's economic recovery depends on it.

In sum, the 2008 financial crisis had a damaging impact on the U.S. economy and on numerous economies throughout the world. After the financial crisis, it was evident that although Asia suffered some blows by the crisis, its recovery and growth was rapid and robust. Clinton's article in 2011 placed a great emphasis on reconnecting economically with the Asia-Pacific. The next section addresses key vehicles that the Obama administration announced in 2011 in order to re-engage economically with the Asia-Pacific and take advantage of its economic prosperity.

2. U.S. RESPONSES

The economic purpose of the rebalance is to take advantage of Asia's prosperity and fuel the American economic recovery.²³¹ Deepening working relationships with regional partners, engaging in multilateral Asian institutions, and expanding trade and investment throughout the Pacific are some key lines of action, which were proposed by former Secretary of State Clinton in order to reengage economically with the Asia-Pacific.²³² In the interest of strengthening the U.S. economic recovery, the Obama

²²⁹ Manyin et al., *Pivot to the Pacific?* 26.

²³⁰ International Monetary Fund (IMF), *Regional Economic Outlook, Asia and Pacific* (Washington, DC: I, April, 2014), 1, <http://www.imf.org/external/pubs/ft/reo/reorepts.aspx?dd1Year=2014&dd1Regions=-1>.

²³¹ Kurt Campbell and Brian Andrews, *Explaining the US 'Pivot' to Asia* (London: Chatham House, January 2013), 5, http://www.chathamhouse.org/sites/files/chathamhouse/public/Research/Americas/0813pp_pivottoasia.pdf.

²³² IMF, *Regional Economic Outlook 2014*, 4; Clinton, "America's Pacific Century," 4.

administration has increased its efforts on economic and trade relations in the Asia-Pacific.²³³ In the words of Kurt Campbell, former Assistant Secretary of State for East Asian and Pacific affairs, “To benefit from this shift in global geopolitical dynamism and sustainably grow its economy, the United States is building extensive diplomatic, economic, development, people-to-people and security ties within the Asia-Pacific region.”²³⁴ This statement highlights the strategic value behind building relationships within the Pacific region in the interest of improving the U.S. economy. Former Secretary of State Clinton and other U.S. officials from the Obama administration have worked closely and effectively together with the support of U.S. agencies and departments to realize Obama’s rebalancing strategy.²³⁵ The Obama administration has defined the economic element of the rebalancing strategy as one main reason toward this shift in policy.²³⁶

In testimony on U.S. economic relations before the U.S. Senate, U.S. Principal Deputy Assistant Secretary of State for East Asian and Pacific Affairs, Scot Marciel stated, “America’s future prosperity and security [are] very much intertwined with the prosperity and security of the East Asia-Pacific region.”²³⁷ The contents of this economic element of the rebalance strategy are broken into three main parts, which are increasing U.S. exports, deepening regional relationships, and benefiting from a regional Free Trade Agreement. The following sections will address these three parts of the economic element.

a. Obama’s National Export Initiative

The National Export Initiative (NEI) was an executive order, which was delivered by President Obama in March 2010 that was grounded on the idea of stimulating

²³³ Manyin et al., *Pivot to the Pacific?* 20.

²³⁴ Campbell and Andrews, *Explaining the US ‘Pivot’*, 2.

²³⁵ Ibid., 3.

²³⁶ Manyin et al., *Pivot to the Pacific?* 20.

²³⁷ Marciel, “Economic Aspects of the Asia.”

economic growth in the United States.²³⁸ The NEI is part of the rebalancing strategy in an abstract way because targeting and reconnecting with Asian export markets will help support Obama's vision of doubling U.S. exports and creating millions of American jobs. This growth of American jobs will help accelerate the recovery of the U.S. economy. What is the overall goal of the NEI? According to Obama's executive order, the goal of the NEI is to double U.S. exports over a scope of five years, and reengaging with Asia's export markets will help accelerate to achieve this goal.²³⁹

In the words of President Obama, "The Asia-Pacific region with its tremendous economic growth and its large and growing middle class is a key market for U.S. exports."²⁴⁰ His administration has made it a top priority to enhance the circumstances that affect American companies' ability to export.²⁴¹ The Asia-Pacific region played a critical role in Obama's NEI because four of the ten emerging export markets targeted in the 2011 National Export Strategy are part of the Asia-Pacific.²⁴² These four emerging export markets were China, India, Indonesia, and Vietnam.²⁴³ Asia has become the second-largest export market after North America since 2000; Asia's economic importance has played an important role in the success of Obama's NEI.²⁴⁴ The strengthening of the U.S. economy since the 2008 financial crisis has been a key objective for the Obama administration.

²³⁸ Office of the Press Secretary, "Executive Order 13534 - National Export Initiative," The White House, March 11, 2010, <http://www.whitehouse.gov/the-press-office/executive-order-national-export-initiative>.

²³⁹ Office of the Press Secretary, "Executive Order 13534."

²⁴⁰ Office of the Press Secretary, "FACT SHEET: U.S. Export Promotion and the Asia-Pacific," accessed on August 30, 2014, <http://www.whitehouse.gov/the-press-office/2011/11/17/fact-sheet-us-export-promotion-and-asia-pacific>.

²⁴¹ "National Export Initiative," International Trade Administration, accessed May 3, 2014, <http://www.trade.gov/NEI/>.

²⁴² Manyin et al., *Pivot to the Pacific?* 21.

²⁴³ Ibid.

²⁴⁴ Chaesung Chun, "U.S. Strategic Rebalancing to Asia: South Korea's Perspective," *Asia Policy*, no. 15 (January 2013), 14, http://muse.jhu.edu/login?auth=0&type=summary&url=/journals/asia_policy/v015/15.chun.html.

b. Deepening Relationships with the Asia-Pacific Economic Cooperation

The first piece of the deepening relationships element involves the Asia-Pacific Economic Cooperation. APEC possesses 21 members and is designed to facilitate the promotion of trade and investment by providing a setting that allows participating countries to focus on economic prosperity. Furthermore, APEC's forums are heavily focused on advancing economic integration and trade relationships across the Asia-Pacific. The goal of deepening relations with APEC is to strengthen existing regional U.S. alliances and partnerships, and build new relationships. Moreover, this is important because these relationships will in turn help protect and advance U.S. economic interests within the region. Since Asia's economic rise, the United States has ramped up its efforts to engage with regional multilateral institutions. In the words of Clinton, "APEC and its work help expand U.S. exports and create and support high-quality jobs in the United States, while fostering growth throughout the region."²⁴⁵ These words underscored the significance of APEC and its relevance to the rebalancing toward the Pacific region.

According to a report from the U.S. Department of State, APEC economies are identified as the world's most dynamic economic system because the Asia-Pacific region possesses approximately three billion consumers and is responsible for 44 percent of the world's trade.²⁴⁶ In addition to its robust economies another beneficial feature that APEC provides the United States is its wide range of intellectual leadership. Furthermore, the United States finds APEC's leadership to be helpful primarily because of the variety of new ideas and solutions that its APEC's leadership helps to create that in turn will prevent regional trade barriers from rising.²⁴⁷ Strengthening relations with APEC is a U.S. initiative, which will assist the United States to drive and promote its U.S. exports to the Pacific region.

²⁴⁵ Clinton, "America's Pacific Century."

²⁴⁶ Atul Keshap, "Why APEC Matters," Department of State, January 10, 2013, <http://www.state.gov/p/eap/rls/rm/2013/01/202749.htm>.

²⁴⁷ Ibid.

In the November 2009 APEC meeting in Singapore, President Obama took the opportunity to present his vision for U.S. policy in Asia.²⁴⁸ During that meeting that Obama announced his decision to enter into negotiations with the participating members of the Trans-Pacific Partnership.²⁴⁹ Although there were many similar aspects of U.S. trade policy in Asia from previous administrations, the Obama administration has taken a more focused approach toward Asia since the financial crisis.²⁵⁰

In November 2011, the United States hosted the APEC meetings in Honolulu. Some key topics of discussion were economic growth and the cooperation on trade regulations.²⁵¹ In contrast to past U.S. presidents, who focused on improving relations with China, Obama has been focusing on connecting diplomatically and economically with the Asia-Pacific region as a whole. Although president Obama did not attend the 2012 APEC meeting in Russia, U.S. officials still addressed some key issues that involved the reduction of trade barriers, improvement of trade facilitation, and the establishment of a Free Trade Area of the Asia Pacific (FTAAP) in the interest of staying economically engaged with the Pacific region.²⁵²

c. Deepening Relations with the Association Of Southeast Asian Nations

The second piece of the deepening relationships element involves the Association of Southeast Asian Nations. Because the Obama administration recognized that a strong and integrated ASEAN is fundamentally in the U.S. national interest, in June 2010 the United States became first non-member to open a permanent mission to this multilateral institution.²⁵³ The United States has taken this approach in order to increase its engagement and interaction with the Asia-Pacific and strengthen its relations with

²⁴⁸ Martin, *Asia-Pacific Economic*, 4.

²⁴⁹ Ibid.

²⁵⁰ Ibid., 7.

²⁵¹ Ibid., 1.

²⁵² Michael F. Martin, The Asia-Pacific Economic Cooperation (APEC) Meetings in Vladivostok, Russia: Postscript (CRS Report No. R42842) (Washington, DC: Congressional Research Service, November 19, 2012), 3, 5, <http://www.fas.org/sgp/crs/row/R42842.pdf>.

²⁵³ Campbell and Andrews, *Explaining the US 'Pivot'*, 6; "U.S. Engagement with ASEAN," U.S. Mission to ASEAN, accessed May 15, 2014, <http://asean.usmission.gov/mission/participation.html>.

ASEAN. Deepening the U.S. and ASEAN connection is a diplomatic action that will help the United States advance and promote its economic interests throughout the Asia-Pacific region. ASEAN serves as another key channel to increase U.S. exports in Asia mainly because of its influential role on the region.²⁵⁴

Although the United States has been connected with ASEAN as a dialogue partner since 1977, Obama increased his efforts and intensified its relations with ASEAN as soon he took office. For example, in 2012, President Obama attended four ASEAN-U.S. leaders meetings in order to reinforce relations between the United States and ASEAN, and also in 2012 former Secretary of State Hillary Clinton visited 10 ASEAN countries in the interest of strengthening relationships and promoting U.S. economic interests.²⁵⁵ Promoting economic relationships, expanding U.S. trade in the Asia-Pacific, elevating economic cooperation with ASEAN and increasing opportunities for American businesses within the Pacific region were some key areas of discussion throughout these ASEAN-US meetings.²⁵⁶

d. Deepening relations in the East Asia Summit

The third piece of the deepening relationships element that I will address involves the East Asia Summit. The EAS encompasses 18 countries, of which ten are from ASEAN countries and eight members include United States, China, India, Japan, New Zealand, the Republic of Korea, Australia, and Russia.²⁵⁷ The importance of solidifying relationships within the EAS is grounded on the fact that this meeting reflects 56 percent of the world's gross domestic product.²⁵⁸ A key factor that motivated president Obama to attend the EAS in November 2011 was his drive to express his commitment toward the

²⁵⁴ Sigur Center for Asian Studies "The U.S. Rebalance and ASEAN Regionalism," *Asia Report*, no. 23 (November 2013): 1, http://www2.gwu.edu/~sigur/assets/docs/publications/asiareports/AsiaReport_Nov2013_ASEANrebalance.pdf.

²⁵⁵ U.S. Mission to ASEAN, "U.S. Engagement with ASEAN."

²⁵⁶ Office of the Spokesperson, "United States-ASEAN Cooperation 2012," Department of State, July 11, 2012, <http://www.state.gov/r/pa/prs/ps/2012/07/194837.htm>.

²⁵⁷ Government of Australia, Department of Foreign Affairs and Trade, "The East Asia Summit," accessed May 16, 2014, <http://www.dfat.gov.au/asean/eas/>.

²⁵⁸ "East Asia Summit."

Asia-Pacific, strengthen existing partnerships, and build new ones.²⁵⁹ President Obama was the first American president to attend this conference in 2011.²⁶⁰ Some of the topics he focused on during this conference were the opening of Asian markets to American exports and announcing business deals worth at least \$25 billion between American and companies within the Pacific region.²⁶¹ These topics that Obama focused on during the EAS in 2011 were aimed toward the support of 127,000 American jobs, which will contribute to his larger goal of strengthening the U.S. economy.²⁶² In the words of Hillary Clinton, “Increasingly, economic progress depends on strong diplomatic progress, and diplomatic progress depends on strong economic ties. And naturally, a focus on promoting American prosperity means a greater focus on trade and economic openness in the Asia-Pacific.”²⁶³ This statement, showed the importance behind America’s pursuit toward strengthening its regional relationships and constructing new ones in the interest of reengaging with the Pacific region and helping the recovery of the U.S. economy.

e. Trans-Pacific Partnership

The last economic element I will examine is the U.S. involvement with a Regional Free Trade Agreement through finalizing negotiations in the Trans-Pacific Partnership. The TPP is part of the economic element of the rebalancing strategy because it is designed to strengthen the U.S. economy by increasing U.S. exports to Asia and supporting the creation of millions of American jobs. What is the overall goal of the Trans-Pacific Partnership? The TPP is a prospective free-trade agreement among 12 countries that seeks to eliminate tariffs and non-tariff barriers to trade in imports, exports, services, and agriculture.²⁶⁴ In addition to the elimination of tariffs and non-tariffs this agreement also establishes some governing rules, which will address a comprehensive

²⁵⁹ Clinton, “America’s Pacific Century.”

²⁶⁰ “President Obama at the East Asia Summit,” *The White House Blog*, November 18, 2011, <http://www.whitehouse.gov/blog/2011/11/18/president-obama-east-asia-summit>.

²⁶¹ Ibid.

²⁶² Ibid.

²⁶³ Clinton, “America’s Pacific Century.”

²⁶⁴ Fergusson et al., *Trans-Pacific Partnership*, 2.

scope of issues. The objective of the TPP when its original four members established its creation was to construct an ideal free-trade agreement that could be enlarged to include additional members from both sides of the Pacific.²⁶⁵ Unlike other Asia-Pacific free trade agreements, the TPP possesses a unique characteristic that allows other parties to join in the future, which ultimately makes this trading arrangement valuable because of its potential of expansion and economic growth. Although in 2008 there were efforts to join the TPP agreement, the Bush administration decided to deal with domestic economic issues rather than pursuing negotiations. In contrast to the Bush administration, President Obama wanted to pursue efforts toward joining the TPP in the interest of taking advantage of Asia's economic growth.

The TPP benefits the United States in three ways. First, this regional economic arrangement specifically targets the economic cooperation of four different regions in the Asia-Pacific.²⁶⁶ Secondly, the close engagement with this agreement demonstrates to regional leaders that the United States has not abandoned the Asia-Pacific and is still committed to remain as a Pacific power. Third, the success of this agreement will greatly benefit the rebalance strategy by grouping various robust and emerging economies under one agreement, which in turn will accelerate the economic recovery of the United States.

The TPP possesses a considerable amount of strategic importance behind its implementation. The entrance into the TPP and its finalization will allow the United States to use the TPP as a strategic anchor within the Asia-Pacific region, which in turn will bring together and hold a variety of key relationships within the region in place. According to a report from the Committee on Foreign Relations of the United States Senate, the TPP is the economic basis of the rebalance strategy, which will significantly help the Obama administration, meet its NEI objectives of doubling U.S. exports.²⁶⁷

²⁶⁵ Meredith Kolsky Lewis, "The Trans-Pacific Partnership: New Paradigm or Wolf in Sheep's Clothing?" *Boston College International and Comparative Law Review* 34, no. 1 (2011), 29, <http://lawdigitalcommons.bc.edu/iclr/vol34/iss1/3>.

²⁶⁶ Ann Capling and John Ravenhill, "Multilateralising Regionalism: What Role for the Trans-Pacific Partnership Agreement?" *The Pacific Review* (December 2011), 558, <http://dx.doi.org/10.1080/09512748.2011.634078>.

²⁶⁷ U.S. Senate, Committee on Foreign Relations, *Re-balancing the Rebalance: Resourcing U.S. Diplomatic Strategy in the Asia-Pacific Region* (Washington, DC: Government Printing Office, April 17, 2014), 14, <https://www.foreign.senate.gov/imo/media/doc872692.pdf>.

C. CHAPTER CONCLUSION

In conclusion, another key motive for the Obama administration in adopting the rebalance strategy in 2011 was to support the recovery of the U.S. economy. In this chapter, I first examined certain adverse ramifications of the 2008 financial crisis, and analyzed how its effects weakened the U.S. economy. Another aspect I assessed in this chapter was the reasoning for shifting toward the Pacific and not Europe in the interest of improving the U.S. economy. In this chapter, I examined various indicators of Asia's economic importance. After presenting the analytical framework for this chapter, I then developed my argument by describing and assessing those U.S. economic responses that fall under the rebalancing strategy's economic element. This economic element includes a range of initiatives that are all intended to take advantage of Asia's economic importance and improve the U.S. economy. Close U.S. economic and diplomatic engagement and integration with Asia's economies is critical for the strengthening of the U.S. economy.

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IV. CONCLUSION

After examining the evidence regarding China's military growth and increasingly threatening behavior within the Pacific region over the past decade, I conclude that one fundamental reason the United States decided in 2011 to shift to the Asia-Pacific was to strategically reassure U.S. allies partners against an assertive China. In addition, after examining the evidence on Asia's economic growth over the past decade, I have also come to the conclusion that another fundamental reason was to take advantage of Asia's economic growth. The motivation behind the economic aspect was to help accelerate the recovery of the U.S. economy. The evidence that I have found for each one of my hypotheses was about equal.

With this announced shift of U.S. policy in 2011 toward the Asia-Pacific, the question to ask is, what are the implications for the evidence that I have found? As described in Chapter I, three explanations for the importance of my findings are likely. First, the two key reasons that caused this shift in U.S. policy were mainly military and economic in nature. Second, the conditions under which the policy was announced in 2011 have changed so this shift in strategy may be unsustainable. Third, the U.S. policy in rebalancing to the Asia-Pacific will potentially have broad international effects. In the following sections, I will assess the importance of the findings for the three explanations I provided above.

A. CAUSES: MILITARY/ECONOMIC

The evidence that I gathered to examine the military aspect of the rebalance strategy included a thorough assessment of China's military growth and growing assertiveness within the region over the past decade. The implications of the evidence I have found regarding this military motive for the rebalance policy are centered on reassuring regional allies and partners against a threatening China.

The evidence that was collected to assess the economic aspect of the rebalance policy included data to illustrate Asia's economic growth over the past decade and its importance to the United States for strengthening its economy. The implications of the

evidence concerning this economic motive for this shift in policy are grounded on enhancing the recovery of the U.S. economy.

B. PAST, PRESENT, AND FUTURE CONDITIONS AND THE UNSUSTAINABILITY OF THE REBALANCE POLICY

When the pivot to the Asia-Pacific was announced in 2011, this strategy was closely associated with two former members of the Obama administration, Hillary Clinton and Robert Gates. At the time of its announcement, the rebalance strategy was widely broadcast with a series of high profile presidential and other executive level speeches, announcements, and articles that in turn captivated the attention of U.S. allies and partners particularly within the Pacific region.²⁶⁸ The conditions, under which this policy was announced in 2011, were the circumstances that I examined in chapter II and III in this thesis.

Although there have been new global security challenges and changes in key cabinet positions under the Obama administration since the adoption of this policy, Obama seems committed in achieving his vision to rebalance toward the Pacific. In the words of Secretary of Defense, Chuck Hagel, “The United States also has a key role to play in this endeavor. As a leading economic and military power in the Pacific – one with no disputed territorial claims or ambitions in the region—the United States is uniquely positioned to continue to help Asian nations build a vibrant regional security architecture.” ²⁶⁹ This statement delivered by Hagel underscores the continued U.S. strength and commitment in strategically shifting toward the Asia-Pacific.

The future implementation and stability of the rebalance strategy in the Asia-Pacific is heavily dependent upon the leadership and active interaction of the United States with the Asia-Pacific. As the conditions under this rebalance policy continues to change or even be unsustainable, it is important for U.S. officials under the future administration to exercise all tools of foreign policy in order to influence and shape the future of the Pacific region.

²⁶⁸ Tsai, *Obama’s Second Term*, 15.

²⁶⁹ Chuck Hagel, “Realizing the Asia-Pacific Rebalance,” *Defense One*, April 1, 2014, <http://www.defenseone.com/ideas/2014/04/realizing-asia-pacific-rebalance/81730/>.

C. BROAD INTERNATIONAL EFFECTS

The implementation of this rebalance policy toward the Asia-Pacific will likely have broad international effects. First, increasing the presence of U.S. forces toward the Asia-Pacific will strengthen the region's security. Second, this restructuring of U.S. forces will help enhance maximum responsiveness and a capable force in the Asia-Pacific in order to address imminent regional and global threats.²⁷⁰ In addition, establishing a capable U.S. force in the Pacific will likely increase tensions between China and the United States if both countries continue to follow the current path of adversity. Third, the U.S. efforts to reengage economically and diplomatically with the Asia-Pacific will also have broad international effects since the strengthening and building alliances/partnerships will reshape the order throughout the international community.

This thesis outlined two central reasons for adopting the rebalance strategy in 2011. The three explanations I have provided for the importance of my findings may be used in the future to help regional U.S. officials further understand the importance for shifting toward the Asia-Pacific.

²⁷⁰ Tsai, *Obama's Second Term*, 15.

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